



บริษัท เอ็นอาร์ อินสแตนซ์ โปรดิวซ์ จำกัด (มหาชน)
NR Instant Produce Public Company Limited





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NRF

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

SECTION 1 BUSINESS OPERATION AND PERFORMANCE



MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dear shareholders and all stakeholders

The year 2022 was when the covid-19 epidemic began to ease and conditions tend to return to normal. but our world continues to face diverse new challenges, such as geopolitical issues, the war between Russia and Ukraine, economic conditions, demographic changes, a more health-conscious lifestyle including climate change. The Company has followed and closely monitored such volatile situations and emphasized preparation and adjustments of work plans to quickly cope with changes and meet the needs of the future world, as well as cultivating company growth to become the world's leader in clean and sustainable food technology.

From the determination to conduct business in the midst of challenges, NRF's operating results for the year 2022 increased. The company's total revenue was 2,620 million baht, an increase of 13 percent from the previous year, and the annual net profit was 268 million baht, an increase of 21 percent from the previous year. The company has implemented measures to manage production costs and control costs, to develop and improve production processes in all dimensions for efficient and cost-effective use of resources, and to maximize benefits throughout the value chain. Moreover, the Company has decided to make prudent investment decisions for business security and future growth. such as investing in plant-based alternative food production, with the aim to globally expand the plant-based food market by collaborating with world-class partners, and investing in e-commerce both domestically and internationally.

In terms of sustainability, the Company continually operated according to the decarbonization plan to achieve the goal of becoming an organization with net zero emission. With such outstanding international climate action, the Company was invited to represent Thailand as a speaker last year at the 27th United Nations Framework Convention on Climate Change Conference of the Parties (UNFCCC's COP 27) in Egypt. The Company also see the importance of conducting business while creating a balance between the economy, society, environment and adhering to the principles of good governance by conducting business with transparency, strictly adhering to business ethics and corruption-free practices. As a result, the company received a score of Excellent on Corporate Governance Report (CGR) of Thai Listed Companies and was selected to be on the list of "sustainable stocks" or Thailand Sustainability Investment (THSI) for the second consecutive year, as well as becoming a member of the Thai Private Sector Collective Action Coalition against Corruption (CAC).

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, partners, business partners, financial institutions government agency and all stakeholders who have always trusted and supported the business operations of the Company. The company will continue to strive and dedicate ourselves to seeking business growth opportunities on greater challenges and creating returns for sustainable growth. under the principles of good governance and good corporate governance guidelines

Yours sincerely,



(Mrs. Kesara Manchusree)
Chairman of the
Board of Directors



(Dan Pathomvanich)
Chief Executive Officer



Section 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 Maneeeya 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 2022, the Company divided its businesses into 3 main business groups as follows

(1) Ethnic/Specialty Food, which consist of Original Equipment Manufacturer (OEM) products and distribution businesses of ingredients, ready-to-cook food, ready-to-eat food and beverage accounting for approximately 47.2% 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 13.5% 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 5.6% of total sales.

(2) E-commerce, 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.

(2) Climate-resilience food comprising plant-based food including non-food products in consumer and environmentally friendly packaging (V-shapes). In 2021, the Company generated revenue from the sale of V-shape machinery accounting for approximately 1.4% of total sales.

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 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 focus on carbon neutral production that offers 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. The Company has also invested in Frontline Bioenergy LLC in 2022, a business for biomass waste burning that can increase carbon sequestration in soil.

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 edgetitive. 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

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%.



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. However, the Company sold 43% of Nove East shares in September of 2022, with 8% share remaining.

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.

In May 2021, 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. 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 the 3rd Quarter, the Company sold 90% of investment in Golden Triangle Health Co. Ltd., with 10% holding remaining.

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 Australis Capital Inc. shares were then invested in another company in the fourth quarter of 2022.

In March 2022, the company invested in 60% ordinary shares of Ekold Company Limited to operate the cryptocurrency mining business using clean cryptocurrency mining from environmentally-friendly biomass power plants. However, the Company disposed of this investment in the fourth quarter of 2022 as this business is not the Company's core business nor can be used for business extension.

In April 2022, NRF Consumer Company Limited, a subsidiary of the Indeem International Co., Ltd., was established to support direct sales business (OMNI CHANEL).

In May 2022, Regeneration Capital Company Limited set up the Regeneration Investment Holdings (Singapore) in Singapore to support overseas investment.

In June 2022, Regeneration Capital Company Limited established the Regeneration Capital (Cayman) in the Cayman Islands to support overseas investment.

In August 2022, the company invested in 6.8% of Frontline Bioenergy, LLC, USA, which is an engineering company to design and build a biomass waste disposal system using specialized technology to produce renewable natural gas without any CO₂ emission from the production. The carbon is capture in biochar form which can be buried in the soil to regenerate surface soil, allowing it to efficiently hold water.



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

Company Name	Business Type	Country of Establishment	Shareholding Percentage	
			2022 percentage	2022 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	100
City Food Co. Ltd.	Produces, imports, and exports ready-to-eat food	Thailand	100	100
350 Company Limited (former name Super Plans Co. Ltd.)	Invests in decarbonization business	Thailand	100	100
Regeneration Capital Co. Ltd.	Manages and directs investments	Thailand	100	100
Subsidiaries Owned by Nove Foods Co. Ltd.				
Nove Eats Co. Ltd.	Sells food products that do not contain meat or animal products	Thailand	8	51
Root The Future Co. Ltd.	Manages content to communicate with consumers who do not	Thailand	100	100



	consume meat and are interested in the environment			
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	55
Indeem Group Co. Ltd.	Sells consumer goods through the membership system	Thailand	51	51
Indeem International Co. Ltd.	Sells consumer goods through the membership system	Thailand	100	-
Subsidiaries Owned by City Foods Co. Ltd.				
Botany Petcare Co. Ltd	Produces and distributes pet food products	Thailand	67	67
Subsidiaries Owned by Regeneration Capitol Co. Ltd.				
Regeneration Investment Holdings (Singapore) Limited	Directs and manages investments	Singapore	100	-
Regeneration Capital (Cayman) Limited	Directs and manages investments	Cayman Islands	100	-
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	25	25
Newtra Regenerate Protein Co. Ltd.	Produces and sells food products that do not contain meat or animal products	Thailand	50	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 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 3 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) E-commerce which is direct sales to the consumer such as products offered for sale on Amazon.com and Omni Channel 3) Climate-resilience food comprising plant-based products and V-shape products.

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 % in 2019)², especially in the wake

of the COVID-19 pandemic. The pandemic may be another factor that drives consumers to try taking 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>Climate change is top concern for Millennials & Gen Z Percent preference for each concern among Millennials and Gen Z</p> <table border="1"> <thead> <tr> <th>Concern</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Climate change/global warming/heating the environment</td> <td>44%</td> </tr> <tr> <td>Source: Sustainable</td> <td>15%</td> </tr> <tr> <td>Overpopulation</td> <td>14%</td> </tr> <tr> <td>International trade</td> <td>14%</td> </tr> <tr> <td>Immigration</td> <td>14%</td> </tr> </tbody> </table> <p>Source: The Atlantic, World Economic Forum (2017)</p>	Concern	Percentage	Climate change/global warming/heating the environment	44%	Source: Sustainable	15%	Overpopulation	14%	International trade	14%	Immigration	14%	<p>The challenge of producing enough food for the world's population, reducing environmental impact by 2050, and promoting sustainable production and consumption</p> <p>How do we feed 10 billion people...</p> <ul style="list-style-type: none"> ...without using more land... ...while lowering emissions? <p>WE WILL NEED 55% more food by 2050</p> <p>WE MUST PRODUCE MORE FOOD FROM LESS LAND</p> <p>WE CAN LOWER EMISSIONS</p> <p>10B people in 2050</p> <p>2X less land</p> <p>40% less emissions</p> <p>WORLD RESEARCH INSTITUTE</p>
Concern	Percentage												
Climate change/global warming/heating the environment	44%												
Source: Sustainable	15%												
Overpopulation	14%												
International trade	14%												
Immigration	14%												
<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 to respond to increasing demand of customers. 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

³ Source : <https://www.globalinvesting.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/>



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 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. (Konscious), 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 to ensure sustainable development of the supply chain.

With the determination to be socially and publicly responsible, the Company pays attention to the issue of climate change that many organizations around the world are collaborating with. The company started from becoming as an official member of UN Global Compact and most recently joined the 1.5 degree pledge. In addition, in 2019, the Company initiated the Carbon Neutral Project to show its intention to be an organization that cares about reducing global warming and has currently become the first private food producer to be Carbon Neutral in Thailand, ready to implement the industrial change in that requires a label indicating the amount of carbon emitted from the production of 1 piece of food (Carbon Footprint) in the future. As the process of identifying the carbon footprint takes more than 1 year, the Company believes that it is prepared for the change and will be the first to receive business benefits such as acquiring new customers and the opportunity to produce other types of products in addition to existing customers.



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

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 sought 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 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 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



- 3) In September 2021, Boosted 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



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.

1.1.1.6 Entry into petfood business



The growth rate of pet food in Thailand is 11% per year and the value of the pet market in Thailand is around 35,453 million baht (information from Pet Expo 2020), with actual pet food value of 15,954 million baht and export pet food value in 2020 at 62,283 million baht. Thus, the pet food market is very large and creates an opportunity to expand the company's business into the pet food business. The Company then invested in Botany Petcare Co., Ltd. in 66.7% share through City Food Co., Ltd. (subsidiary) in the 4th quarter of the year 2021. This investment is to build a pet food factory by converting a soy milk factory in Ratchaburi into a dry pet food factory which has a production capacity of 1,800 tons per month. The factory has started producing dry pet food (dog food and cat food) under the Brands, Botani Petcare Co., Ltd. for the domestic market since August 2022. Currently, the company expects orders from foreign customers to reach full capacity in 2023, so it is planning to expand capacity to 3,600 tonnes per month in 2023 and production is expected to start in Q4 2023 to support growth in this business.



1.1.2 Major changes and developments

Authority to control the company in the past year

The company has not changed the executives and the board of directors.

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 3 groups: Ethnic/Specialty Food including pet food, 2. Direct sales that involves products sold directly on e-commerce platform and Omni Channel and 3. Climate-resilient food such as young jackfruit, konjak noodles and animal-free sauce, not including plant-based Food and V-shaped Products. Under the COVID-19 situation, the Company was impacted due to the high cost of energy and gas, along with inflation and higher interests due to the war between Russia and Ukraine, forcing ethnic food sale to decrease from the year 2021. However, due to a full year of revenue from pet food sales in 2022, the total revenue from ethnic/specialty food group were up by 8% compared to 2021, revenue from sale on e-commerce platform and Omni Channel increased by 42% from 2021 due to a full year revenue in 2022 from investment in the brand Well Path and Indeem Group (income from direct sales). In the 4th quarter of 2022, revenue from the climate action group (plant-based products) decreased by 25% compared to 2021 and so total revenue from sales in 2022 increased by 9% from the year 2021.

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"> Held 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.



	<ul style="list-style-type: none"> 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 <ol style="list-style-type: none"> 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. The allocation of 45,000 newly issued ordinary shares with a par value of 100 baht per share, offered to Mr. Damkerng Pathomvanich. 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) 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



	<p>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.</p> <ul style="list-style-type: none"> 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. 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 Konscious 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.
2022	<ul style="list-style-type: none"> March: The Company invested in ordinary shares of Ekold Co., Ltd. in the proportion of 60% to operate mining business. Cryptocurrency using clean energy (Clean Cryptocurrency Mining) from biomass power plants that are environmentally friendly. However, the company has disposed of this investment in the fourth quarter of 2022 because this business is not the core business or can be extended to the company. April: NRF Consumer Company Limited, a subsidiary of the Company, established Indeem International Co., Ltd. to support the direct sales system business (Omni Channel). May: The company established Regeneration Holding (Singapore) Limited, which was established to support overseas investment. June: The company established. Regeneration Capital (Cayman) Limited to administer and manage overseas investments. The company invests US\$ 4.5 million or 6.8% share in Frontline Co., Ltd., USA. which is an engineering company that designs and builds biomass disposal systems using specialized technology to produce renewable natural gas without emitting carbon dioxide from the production and capture carbon into Biochar, which can then be buried in the soil to restore the soil and absorb water well.



1.1.3 Use of fundraising money

Use of proceeds from equity offerings

The Company did not increase its capital in 2022.

Use of money from debt security offerings

A) 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 offering of newly issued ordinary shares ended December 31, 2022 as follows:

Objectives for utilizing the proceeds	The amount used for intended objectives	Amount spent accumulated up to 31 Dec. 2022	Balance as of 31 Dec. 2022
1. Other projects under investment in BOOSTED Corp. ("BOOSTED COMPANY") to expand online business	500-550 million baht	150.47 million baht	349.53 – 399.53 million baht
2. investment in other projects/ ¹	150 million baht	150 million baht	-

Note ¹ namely, the investment project in a newly established company at Nove Foods Co., Ltd., a subsidiary of the Company in joint investment with Innobic (Asia) Co., Ltd., a company in the PTT group

B) On October 20, 2022, the Company issued unsubordinated debentures, which has the right to redeem the debentures before maturity and is unsecured in the amount of 1,300,000 units at the par value of 1,000 baht per unit by offering the debentures to institutional investors or high net worth investors. The Company received the amount of 1,300 million baht from this offer with the debentures having a maturity of 2.5 years with an interest rate of 6.7500% per annum and are due to be paid quarterly. The debentures were approved by the Board of Directors' Meeting No. 7/2022 held on September 5, 2022.

The Company used the proceeds received from the offering of newly issued ordinary shares ended December 31, 2022 as follows:



Objectives for utilizing the proceeds	The amount used for intended objectives	Amount spent accumulated up to 31 Dec. 2022	Balance as of 31 Dec. 2022
1. Investment in a sauce factory	200 million baht	-	200 million baht
2. Investment in Unovis NCAP Fund II (managed by Unovis Asset Management) and investment in Big Idea Venture and New Protein Fund I (managed by Big Idea Venture).	110 million baht	11.389 million baht	98.611 million baht
3. online business expansion	600 million baht	-	600 million baht
4. working capital	390 million baht	390 million baht	-

Laws Governing Bond Instruments

The company has issued unsubordinated debentures, which has the right to redeem the debentures before maturity and without collateral complies with regulations and regulations of the Securities and Exchange Commission of Thailand and 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 เอ็น อาร์ อินสแตนท์ 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) 34849576-80
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

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



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 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 3 groups:

Category 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

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 et de la Distribution, France, <http://www.fcd.asso.fr/>



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	Products 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.
	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
	Mow Wow cat food is a brand of Botany Petcare Co., Ltd. that is sold in Thailand and overseas
	Mow Wow cat food is a brand of Botany Petcare Co., Ltd. that is sold in Thailand and overseas
	Bok Wow dog food is a brand of Botany Petcare Co., Ltd. that is sold in Thailand and overseas
	Bok Wow dog food is a brand of Botany Petcare Co., Ltd. that is sold in Thailand and overseas
	Katty Boss Platinum 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
	Kitty Boss Gold cat food is a brand of Botany Petcare Co., Ltd. that is sold in Thailand and overseas
	Bravo Boss Gold dog food is a brand of Botany Petcare Co., Ltd. that is sold in Thailand

Category 2 Direct Sale Business of products to Consumers comprising products offered through the E-commerce platform

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.

Category 3 Climate action food such as plant-based food and sauce products.

Currently, the company produces and sells food made from plant-based proteins that are sustainable and environmentally friendly. Natural plant-based ingredients such as young jackfruit, konjac, eggplant, beans, chili, etc., are used to produce healthy food and vegetarian food. As a result of additional investment in plant-based protein, the company is carrying more products, such as plant-based sausages, plant-based ground beef, plant-based ground pork, artificial fish fillets, shirataki, artificial eel rice balls, artificial tuna rice ball, 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, artificial fish fillets, shirataki, artificial eel rice balls, artificial tuna rice ball, and patties for hamburgers will be manufactured by the Company's associates. The sales will not appear in the company's main income.



1.2.1. Revenue Structure

ประเภทธุรกิจ	ปี 2563		ปี 2564		ปี 2565	
	จำนวน (ล้านบาท)	สัดส่วน %	จำนวน (ล้านบาท)	สัดส่วน %	จำนวน (ล้านบาท)	สัดส่วน %
รายได้จากการขาย	1,408.3	98%	2,100.0	91%	2,294.4	88%
1) กลุ่มธุรกิจผลิตภัณฑ์อาหารและอาหารสัตว์เลี้ยง Ethnics / Pet Food	1,251.5	87%	1,411.2	61%	1,521.2	58%
1.1) ผลิตภัณฑ์รับจ้างผลิต (OEM)	888.2	61%	1,108.2	48%	1,083.2	41%
1.2) ผลิตภัณฑ์ภายใต้แบรนด์บริษัท (Own Brands)	363.3	25%	288.8	12%	310.2	12%
1.3) ผลิตภัณฑ์อาหารสัตว์เลี้ยง	-	0%	14.2	1%	127.8	5%
2) กลุ่มธุรกิจการจัดจำหน่ายผลิตภัณฑ์ผู้บริโภคโดยตรง ^{1/} (Direct to Consumer)	-	0%	386.1	17%	547.1	21%
3) กลุ่มธุรกิจผลิตภัณฑ์เพื่อรับมือกับสภาพภูมิอากาศ ^{2/} (Climate Action)	156.9	11%	302.7	13%	225.8	9%
กำไรจากอัตราแลกเปลี่ยน	0.4	0.0%	9.8	0.4%	-	0.0%
กำไรจากการเปลี่ยนแปลงมูลค่าของสินทรัพย์ทางการเงินที่กำหนดให้วัดมูลค่าด้วยมูลค่า ยุติธรรมผ่านกำไรหรือขาดทุน	-	0%	33.6	1%	68.0	3%
กำไรจากการขายเงินลงทุน	-	0%	99.6	4%	135.6	5%
รายได้อื่น ^{3/}	35.6	2%	75.2	3%	121.7	5%
รายได้รวม	1,444.3	100%	2,318.2	100%	2,619.7	100%
อัตราแลกเปลี่ยนเฉลี่ย	31.74		31.82		34.85	

หมายเหตุ ^{1/}กลุ่มธุรกิจการจัดจำหน่ายผลิตภัณฑ์ผู้บริโภคโดยตรงได้แก่ รายได้จาก Ecommerce

^{2/}กลุ่มธุรกิจผลิตภัณฑ์เพื่อรับมือกับสภาพภูมิอากาศ ได้แก่ ผลิตภัณฑ์อาหาร Plant Based Products และ ผลิตภัณฑ์ V-Shape

^{3/}รายได้อื่น ได้แก่ รายได้บริการอื่น รายได้บัตรสมาชิกและจากการส่งออก ดอกเบี้ยรับ เป็นต้น



	2020		2021		2022	
	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)
Sales Revenue	1,408.3	97.5%	2,100.0	90.6%	2,294.4	87.6%
1) International^{/1}	1,189.5	82.4%	1,759.3	75.9%	1,727.3	65.9%
1.1 United States	468.5	32.4%	986.7	42.6%	976.2	37.3%
1.2 Europe	432.5	29.9%	489.7	21.1%	459.6	17.5%
1.3 Asia	180.1	12.5%	160.8	6.9%	176.7	6.7%
1.4 Other	108.4	7.5%	122.0	5.3%	114.9	4.4%
2) Domestic^{/2}	218.8	15.2%	340.7	14.7%	567.1	21.7%
Foreign Exchange Profit	0.4	0.0%	9.8	0.4%	-	n/a
Profit from changes in values of financial assets	0.0%		33.6	1.4%	68.0	2.6%
Profit from divestment in associated companies	0.0%		99.6	4.3%	135.6	5.2%
Other ^{/3}	35.6	2.5%	75.2	3.2%	121.7	4.6%
Total Income	1,444.3	1,138.6	2,318.2	100%	2,619.7	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	2020		2021		2022	
	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)
Sales Revenue from the Company's Products						
(1) Condiments for Cooking and Seasoning	833.2	61.4%	1,161.1	56.4%	927.0	40.4%
(2) Ready-to-eat Food and Beverages	495.6	35.2%	487.4	23.2%	466.3	20.3%
(3) Non-food Consumer Products in Consumer and Environmentally Friendly Packaging	47.6	3.4%	29.0	1.4%	225.8	9.8%
(4) Products Sold on E- Commerce Platforms	0.0	0.0%	384.1	18.3%	547.5	23.9%
(5) Pet Food	0.0	0.0%	14.2	0.7%	127.8	5.6%
Total	1,408.3	100.0%	2,100.0	100.0%	2,294.4	100%

1.2.2 Product Information




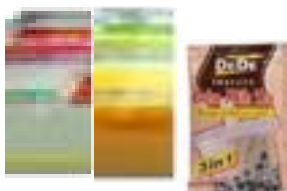






1.2.2. (1) Product Characteristics

A. Ethnic Foods and Specialty 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
	
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.	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.
	Beverages and Others
	
Includes various seasoning sauces such as Sriracha chili sauce, chicken sauce, plum sauce, etc. and	Instant beverages such as coconut water and aloe vera juice etc., ready-to-brew beverages such as

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>



Examples of the Company's Packaging	
 <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:

i. **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



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

B. Plant-based Food

The company has plant-based food products, such as ready-made meals made from young 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. Pet Foods

Botany Petcare Co. Ltd., a subsidiary of the company is the producer and distributors of the following brands: “Bravo Boss” and “Bok Wow”, which is dog food and “Kitty Boss” and “Mow Wow” which is cat food under Botany Petcare for domestic customers. Botany also take up contract pet food production (OEM) for overseas distribution as well.

Examples of pet food products						
						

1.2.2. (2) Marketing and Competition

A. Marketing of Key Products and Services.

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



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 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 are 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, 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, the Company is therefore able to analyze customer 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. For that reason, 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 purchasing 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, 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 the Company encourages farmers to produce natural fertilizers by using raw materials left over 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, an issue that many organizations around the world come together to help solve. Therefore, the Company began by becoming an official member of the UN Global Compact and recently joined the 1.5 degree pledge.

In response to the aforementioned resolution, 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 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 faithful 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 from products under the Company's brand together with importers. The Company also 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 wishes to increase its sales channels to offer products on online channels to support the consumer behavior that has significantly changed from the COVID-19 epidemic situation. 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, and Pet Food categories. These businesses have good sales in Amazon's e-commerce system and continue to generate profits. There



will be a clear investment selection criterion for for the highest benefit for the Company. The Company will be able to sell its products on Amazon Market Place with a customer base where they will be able to offer products immediately (Upselling). Channel expansion within the country can be achieved under investment in Indeem Group Co., Ltd. to increase the omnichannel sales channels.

8. Pricing Policy

Pricing Policy Under the Company's Brand

The Company determines the product price by mainly focusing on the target customer. Sustainability factors, value for money, and competitive advantage in the market are considered for the pricing.

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 sell more in the Thai baht currency as there are plans to increase sales capacity within the country and 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 food stores, miscellaneous shops, and various grocery stores. The goods destination 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 and others.
- (3) **Supermarkets, such as Tesco, Foodland and Villa Market** – 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 type of customer group will buy products for food production.
- (5) **Online Customers** - this type of customer group is mainly composed of foreigners who have travelled 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 continuously appealed to foreigners.

Last year, only two customers had sales that accounted for 13 percent 11 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 Company has been introduced to customers from the agents, 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.



Eventhough 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, Tesco who will monitor the quality of the products before ordering. This is another way that helps confirms 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.

B. Competition and Industrial Conditions

Overview of the Global Economy

In January 2023, the International Monetary Fund (IMF) estimated the global economy in 2023 to grow by 3.4 percent and forecasted that the global economy in 2023 is likely to expand by 2.9 percent, higher than its forecast in October 2022, which reflects a more positive outlook including the risk that the global economy recession will be reduced.

However, the overall global economy is likely to slow down from the previous year. This is because core inflation tends to decrease slowly and cause pressure to central banks, especially in developed countries, to raise interest rates to higher levels and due to ongoing conflict between Russia and Ukraine. The slowdown in growth in 2023 compared to 2022 is mainly caused by the economic slowdown in advanced economies, while emerging market economies and developing economies are expected to grow. It is expected that the economy has passed its lowest point in 2022.



The US economy tends to slow down based on expectation of slow down of economic growth from 2.0 percent in 2022 to 1.4 percent in 2023, with the labor market and employment still strong. Although general inflation has slowed down, but core inflation in the services sector continues to accelerate, including interest rates remain high.

Eurozone economy faces less recession risks in 2023 with better-than-expected economic data. Headline inflation in the eurozone tends to slow down in tandem with energy and durable goods prices. Core inflation will slow down due to a tight labor market. It is expected that the ECB will continue raising interest rates to a higher 3.25 percent, with economic growth in 2023 expected at 0.7 percent.

The Chinese economy is expected to expand by 5.2 percent in 2023, with economy growing stronger after the ZERO-COVID measure is lifted. Consumption and domestic investment show strong sign of revival, reflected in the number of tourists during the Chinese



New Year has doubled from last year. The value of fundraising in the business sector has accelerated, reflecting increased confidence and a positive signal for investment but the recovery is still fragile from the real estate sector and the fact that exports that slowed down in line with the global economy and US-China tensions that could erupt again

(Source: International Monetary Fund Jan. 2023 and SCB EIC 17 Feb. 2023)

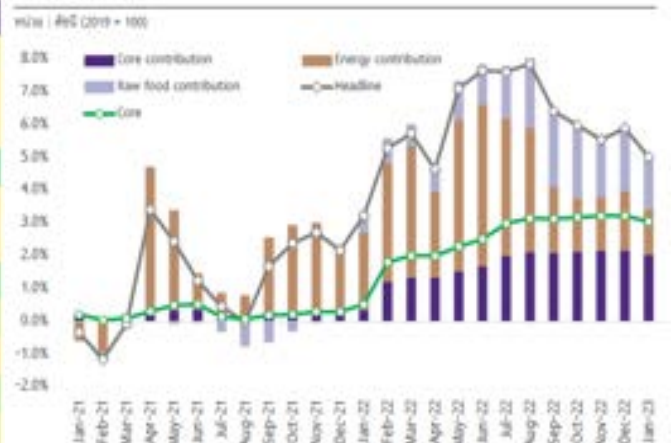
Overview of the Thai Economy

According to the Economic Intelligence Center, The Siam Commercial Bank or SCB EIC, it is reported that the Thai economy in 2022 grew at a lower rate of 2.6 percent (formerly SCB EIC expected at 3.2 percent), partly due to a sharp contraction in exports in the fourth quarter, although the tourism and service sectors including the improvement of private consumption has helped sustained the growth. After Thailand lifted COVID control measures and allowed foreign tourists to travel in 2023, the Thai economy is likely to recover, driven mainly by the tourism and service sectors. The return of 4.8 million Chinese tourists after China changed its stance on zero-COVID measures earlier than expected, as well as tourists from other countries will also contribute to reviving the economy. SCB-EIC has increased its prediction for tourists in 2023 to 30 million and Thailand is expected to recover to pre-COVID-19 levels by the end of 2024, which will help to revive both the labor market and general consumption. Thai exports in 2023 are likely to slow down in line with the economic direction of major trading partners despite benefiting from the cancellation of ZERO-COVID measures in China and the much lower risk of a global recession. As a result, this will put pressure on industrial production for exports and private investment. Headline and core inflation started to slow down in January and has a tendency to decline rapidly from the gradual pass-through of costs from producers to consumer prices during a period of stronger recovery in the Thai economy and increasing demand-side inflationary pressures.

การขยายตัวของผลิตภัณฑ์มวลรวมภายในประเทศ ปี 2565-2566

หมวดหมู่	Share	2022	Nov-22	Dec-22	Jan-23
รวมทุกภาค	100%	6.1%	5.5%	5.9%	5.0%
หมวดบริการและภาคอื่นที่ไม่ใช่เกษตร	40.4%	6.9%	8.4%	8.9%	7.7%
ภาคบริการ	20.6%	6.8%	8.1%	8.9%	7.3%
- บริการ	3.5%	21.1%	23.5%	19.9%	-1.1%
- บริการภาคบริการ	8.7%	7.5%	9.7%	9.9%	9.2%
- บริการภาคบริการ	6.7%	7.0%	9.2%	9.3%	8.6%
หมวดการก่อสร้างและภาคอื่น	2.2%	0.0%	0.3%	0.3%	0.2%
หมวดเกษตร	23.2%	4.7%	3.5%	3.5%	3.1%
พืชไร่ สัตว์เลี้ยง ปศุสัตว์ และประมง	5.5%	20.8%	13.2%	13.0%	11.2%
หมวดการขนส่งและภาคอื่น	5.7%	1.1%	1.9%	1.8%	1.9%
หมวดพลังงาน การขนส่ง และการสื่อสาร	22.7%	9.1%	4.9%	5.7%	4.3%
หมวดการเงินและการเงิน การศึกษา และการสาธารณสุข	4.5%	0.2%	1.4%	1.4%	1.4%
หมวดเกษตรและภาคอื่นที่ไม่ใช่เกษตร	1.4%	2.0%	1.4%	1.3%	1.0%
ผลิตภัณฑ์มวลรวมในประเทศ	67.1%	2.5%	3.2%	3.2%	3.0%

แนวโน้มการขยายตัวของดัชนีราคาผู้บริโภค



SCB EIC expects the Thai policy rate to gradually increase to 2.0 percent this year as the Thai economy tends to continue to recover and Thai inflation will not decrease quickly with the policy rate direction to continue to increase. The gradual end of financial assistance measures Including the appreciation of the baht will cause the Thai financial conditions to continue to tighten. The baht is likely to



appreciate at 31.5 - 32.5 baht per US dollar at the end of the year due to stronger Thai economies and the weaker US dollar, especially after the US Federal Bank have stopped increasing interest rates.

(Source: Kasikorn Thai Research Center)

Overview and Trends of Food and Beverage Industry in Thailand

Export of food products

In 2023, the Thai Food Processor Association (TFPA) expects Thai food exports to grow at a rate of 0% to 2% or a value of 1.50 – 1.53 trillion baht, of which the growth rate decreases in 2023 as a result from the relatively high 2022 base. There remain many risk factors for exports; the main ones being the global economic slowdown that has started to have a clear effect, causing the economic activities of the main trading partners to slow down, resulting in decreasing exports trends from effects of the decline in economy and purchasing power. Due to high levels of inflation, the Thai manufacturing sector is pressured by rising costs of electricity, wages and raw materials coupled with geopolitical conflicts of superpowers, natural disasters, and new trade measures that still need to be monitored.

Important factors that promote exports include rising demand for food products as global economic activities recover. Many countries are now importing more food due to food security concerns, and gradual revival of tourism and private consumption. In addition, the government has negotiated more trade with new markets such as the Middle East and South Asia to help diversify risks, and a new opportunity for export.

Thai food products that are expected to expand in 2023 include canned and processed seafood and seasoning sauce (It is essential food for consumption, and support the recovery of hotels, restaurants, and various restaurants in the tourism sector). Sugar may increase in value due to rising sugar prices, and from the sugar export control policy of India.

Domestic Consumption

The trend of domestic consumption in 2023 is expected to grow by 2.8 - 3.6 percent. Although consumption will continue to increase, many challenges still remain in terms of the economy and consumer purchasing power. The expansion of domestic consumption result from several factors: 1. The return of foreign tourists, expected to number around 13-20 million. 2. Normal resumption of economic activities with consumers resuming normal life again 3. The effect of government promotion measures and 4. Expenses that may increase during the election that is expected to take place in the second quarter of 2023. The above factors will support overall domestic consumption to expand, especially in the first half of 2023.

However, in the second half of the year, it is still necessary to wait for follow-up measures to stimulate the economy, including new government policies amidst the still high cost of living. In addition, the purchasing power of consumers has not fully recovered, so despite domestic consumption growth in 2023, caution should be taken and the challenges that remain will affect the recovery of consumption in each group differently.

(Source: Kasikorn Research Center)

Ethnic Food Industry Overview and Trends

Ethnic Food is foreign food that US consumers are paying more attention to such as Asian food, mediterranean diet Hispanic cuisine and adapted to blend in with local cuisine. The Ethnic Food industry market share can be divided by continent as follows: 31.9% Europe, 27.8% America, 26.0% Asia and other 14.3%. The main reason for the growth of ethnic food industry market is because of



increasing migration trends due to a number of reasons such as job opportunities, environmental factors educational purposes, etc. One of the factors increasing demand for ethnic food is easier access by consumers through ethnic food-focused supermarkets (specialized ethnic food supermarket chains) while at the same time, developers have given priority to product development in terms of convenience, food quality, food formulation, and product packaging form. Mordor Intelligence forecasts that the ethnic food industry market will grow to US\$ 62.1 billion in the next five years, with an average growth of up to 8.3% per year on a market cap of \$38.7 billion today.

Overview and Trends of the Pet Food Industry

The global pet food market is worth about USD 131.1 billion in 2021 and is expected to grow to USD 190.0 billion by 2026, an average annual growth of 7.1 percent. The growth of the pet food industry is driven by the increasing number of pets raised by people around the world, especially in the United States and countries in the European region. In addition, the growth of the pet food market is complemented by new products and innovations developed by global manufacturers to the growing demand for pet food that can respond to owner needs of good health and beautiful shiny fur for their pets through complete nutrients and care. These innovations are in line with the trend in caring for and paying attention to pets, equivalent to being a member of the family or pet humanization.

In Thailand, data from Euromonitor indicates that in 2019, the number of Thai households with dogs and cats comprise approximately 34% of the total number of Thai households in the country. This has increased to 37% of the total number of Thai households in 2022, reflecting the increasing popularity of Thai people to raise animal, partly for reasons of relieve of stress especially during requirements for home quarantine during the COVID-19 epidemic. It is expected that the pet humanization trend will continue to be a major megatrend in Thailand in the future as many factors support this trend: Gen Z, Gen Y, and the elderly population who prefer pets as companions to ease loneliness. The trend in Thailand also seem to be smaller families with fewer children or no children, leading more to the possibility of having pets. Many condominium development projects now allow more pets thus resolving limitations on the size or nature of housing for raising animals in the future.

According to the Department of International Trade Promotion, pet food exports in 2022 (Jan.-Sept.) had a total value of 74,975.6 million baht, an increase of 34.4 percent. The main export markets were the United States of America, 21,502.3 million baht, an increase of 59.1 percent; Japan, 8,411.2 million baht, an increase of 6.5%; and Italy 4,821.4 million baht, an increase of 52.6%.

Major export products are dog and cat food to the value of 65,279.6 million baht, a 41.0 percent increase; other animal feeds, 9,696.0 million baht, a 2.0 percent increase, of which Thailand is the third largest exporter in the world after Germany and the United States. The factors that support the growth of the Thai pet food industry are as follows: 1. Thailand has lower production costs than major competitors, especially labor costs. 2. Thailand has expertise in production due expansion of certain line of business production line such as former canned tuna production, allowing manufacturers to apply their expertise in both production and product research and development. 3. Most of the world's pet food importing countries are countries with high purchasing power, or high per capita income as well as having high standards of animal welfare, making them willing to pay for products with premium prices and quality.

(Source: Frost & Sullivan, SCB EIC)

Overview and Trends of Alternative Protein Food Industry

The US protein alternative food industry will see slower growth in 2022 due to high inflation which affects both the economy and purchasing power of consumers. As a result, the plant-based meat industry saw a slight decline in growth of 0.4 % as the price of plant-based meat was higher than regular meat, while plant-based dairy continued to grow well with a 12.0% growth.



In the long-term, the alternative protein industry still has plenty of room to grow. By 2020, alternative protein foods accounted for 2.0% of total protein consumption, or approximately \$13 billion. Boston Consulting Group estimates that alternative protein share will rise to 8.0% or \$97 billion industry value by 2030. There are 3 main reasons why the alternative food industry tends to continue to be popular and may expand in the future: 1. Environment and sustainability. The livestock industry is one of the main activities that pollutes the environment, with over a quarter of global greenhouse gas emissions coming from food production and agriculture in particular beef cattle farming, which emits large amounts of methane gas from the cow's digestive process. 2. Health and modern lifestyle. Access to information and advances in health science has created a stir and caused many people to start looking after their health, choosing to consume more nutritious food. 3. Technological developments, especially in the field of food biotechnology, food innovation, including smart farming technology that makes it more feasible to invent alternative food to replace the traditional meat production process.

For plant-based food industry in the country, Kasikorn Research Center indicates that in 2022, the market value of alternative proteins derived from new food innovations should be at approximately 4,100 million baht or a 5.1% growth. This is less than previously expected, as a result of various challenges both in terms of the cost of living, accelerated inflation that decrease consumer purchasing power together with other protein foods competition with various price levels and distribution channels. As a result, alternative protein products come from new food innovations may still face challenges in increasing consumption to supplement or to replace the main meal in main consumer groups. In addition to the issue of consumer purchasing power and competition with conventional protein foods, running a protein alternatives business from new food innovations in 2022 will face significant challenges from intense competition as there are serious penetration of this market by more entrepreneurs, as well as the risk of increasing production costs. Under the situation of world grain prices, energy prices and transportation costs are likely to increase further in the remainder of 2022.

Notwithstanding the effect of economic conditions and the cost of living and high production costs due to inflation, the alternative protein market from new food innovations in 2022, may grow by about 7.0 percent from the previous year, due to the products potential that meet the health-environmental trend coupled with serious entry into this market by many entrepreneurs that will likely generate investment and new products that meet more consumer needs. Therefore, it is expected that the consumption rate of this group of products will continue to expand. At present, there is still a large gap in the market for alternative proteins from new food innovations in Thailand because the market value of this group of foods is still only 0.6 percent compared to the total protein food market in Thailand, which is expected in 2022 to be worth more than 716 billion baht.

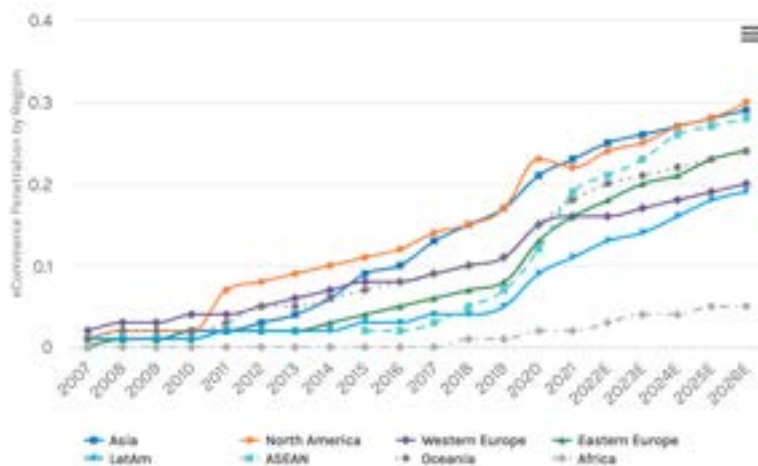
(Source: Kasikorn Research Center, Kiatnakin Phatra Bank, Boston Consulting Group)

E-commerce Market Industry Overview and Trends

The global e-commerce boom during the COVID-19 pandemic was born out of necessity. Online shopping is an option for consumers to shop during store closures and to avoid infection. As a result, the ratio of online shopping to retail market value has increased dramatically from 15 percent in 2019 to 22 percent in 2022.



E-commerce as a percentage of retail sales continues to grow across regions.



Source: Euromonitor, National Data Sources, Morgan Stanley Research estimates

In the longer term, Morgan Stanley estimates that the global e-commerce industry will grow from \$3.3 trillion to \$5.4 trillion by 2026. E-commerce growth reflects changing consumer behavior. Permanent purchases and e-commerce can continue to grow even in countries where online shopping is already popular, such as South Korea, with a well-developed payment and logistics infrastructure. Online sales in South Korea account for 37% of the total retail market value. It is expected to grow to 45% in the next five years. In the United States, it is similar, where online sales account for 23% and is expected to increase to 31% by 2026. The

current picture is that shops with storefronts have closed down some branches as consumers themselves focus more on convenience.

In addition, another important factor that drives e-commerce is the development of technology. From the development of digital payments to the ability to manage supply chains and logistics. Increased internet usage is also a significant driver especially in emerging markets where populations are younger and spend more time online than in developed markets. For example, consumers in Colombia and Brazil spend more than five hours a day on average online. This creates a significant opportunity for retailers to reach new customer markets.

For Thailand, with economic conditions and income recovery still fragile, the cost of living and prices of some items are still likely to increase putting pressure on the purchasing power of consumers to continue to carefully plan their spending. As a result, it is expected that the market value of B2C E-Commerce in 2022 will tend to expand at a slower rate after a sharp double-digit growth during the COVID-19 outbreak. This slowing growth will more likely continue in 2023, at a rate of 4.0 - 6.0 percent, or equivalent to a market value of approximately 606 - 618 billion baht, with the number of people using the service stable after a large number of users migrated to the service during the severe outbreak of COVID-19. This may also be a result of low consumer purchasing power from various pressure factors such as cost of living or inflation. Therefore, the growth of e-commerce may not have come from increase in overall expenses of consumers but change in behavior of buying products from an online platform (E-Commerce) rather than a physical store (Physical store). The reason why most consumers choose to buy products through online channels is because the product is cheaper and has value for money. This is also a matter of convenience where consumers do not have to waste time traveling and they are also accustomed to purchasing products on online platform or are regular customer to on-line products shops, etc.

(Source: Kasikorn Research Center, Morgan Stanley)

Competition

The Company's competition arises from foreign operators who are the Company's major competitors in the distribution of condiments and food ingredients from foreign countries comprising operators from the United States, Vietnam, People's Republic of China, Singapore and Malaysia.



Factors affecting the Company's competitiveness in contract manufacturing of food production industry is the selling price of the product and the cost of raw materials that fluctuates according to the market price, a factor that the production company cannot control. The customers can change to other food production contractors instead of the Company if the customer receives a more favorable price. This puts the Company at risk from competition in the contract manufacturing market that may affect the Company's revenue and profit in the future. However, in changing producers for large companies involve high cost and even longer time to check the quality of the new company (high-switching cost). In addition, the Company believes that the following competitive advantages will allow the Company to be one of the first choice to produce for world-class companies (1) the company's focus on sustainable operations (2) the readiness to step into the food product market of the future both in terms of production and access to new technologies and innovations in the field of food (Platform for the Future of Food) (3) Having a variety of food formulations and packaging (4) Having a global distribution channel (5) Having a flexible production line that can support small batch and lean production (6) product quality that meets international food safety standards and is accepted by customers all over the world.

1.2.2.(3) Procurement of Products or Services

A. 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 price of the purchase of these materials are from the focal price of Sri Muang Market and Talad Thai, 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



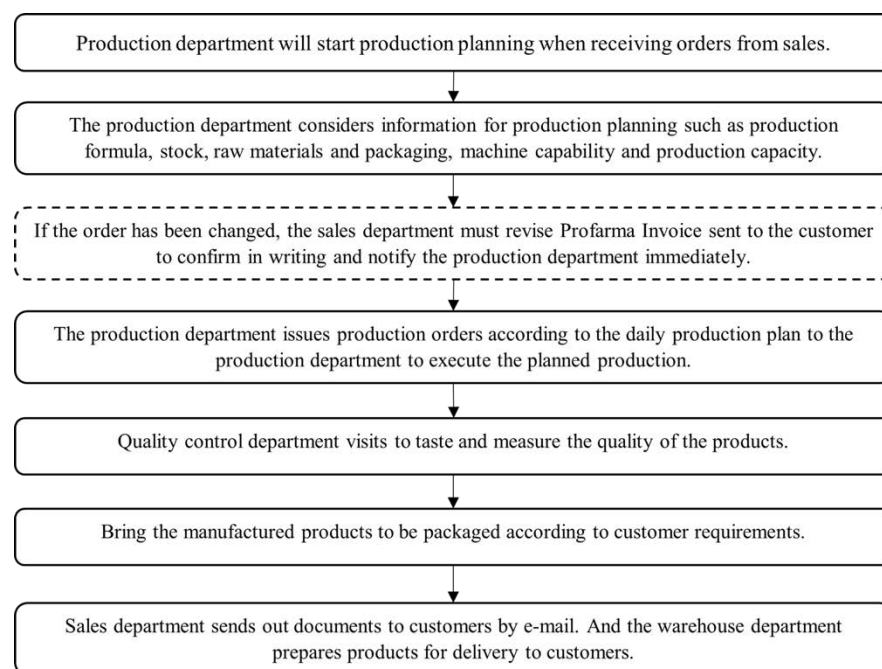
business operations have remained unaffected from this aspect. During 2022, the Company purchased raw materials from 102 suppliers, none of which exceeds 30% of total purchase and ratio of foreign purchase is 1%.

B. Production and Production Control

In 2022, the Company's average capacity utilization rate was at approximately 75% of the total production capacity (approximately 16,500 tons per year) for noodle factory and the sauce and seasoning factory. The average capacity utilization rate of City Food Co., Ltd. is at approximately 65% of the total production capacity (approximately 6,800 tons per year) for the sauce and seasoning production in Nakhon Pathom.

Production Process

In general, the Company mainly manufacture 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 labor



- 2) **Noodle Production Division** - This production line produces various kinds of noodle products such as egg 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 cutting 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.

C. 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.

1.2.2 (4) Assets for Business Operations

Investments in subsidiaries

The company operates in the business of producing and selling food seasonings, ready-to-cook meals, ready-to-eat food and beverages. According to the company's separate financial statements as of December 31, 2022, the company has investments in subsidiaries of 722.7 million baht, accounting for 13% 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
350 Company Ltd. (formerly 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	115.5	115.5
Total Net Investment				722.7

Investments in Associated Companies

As of December 31, 2022, the Company has investments in associated companies totaling 89.6 million baht, respectively, accounting for 2% of the total assets according to the consolidated financial statements of the Company. Details are as follows:



Associated Companies	Business Characteristics	Shareholding (%)	Paid-up Capital (MB)	Book Value
				According to the equity method as of December 31, 2022 (MB)
Plant and Bean Ltd.	Produces and sell plant-based protein	25	198	89.6
Total Net Investment				89.6

Investment in Joint Ventures

As of December 31, 2022, the Company has investments in joint ventures totaling 140.0 million baht, respectively, accounting for 2% of the total assets according to the consolidated financial statements of the Company. Details are as follows:

Joint Venture Companies	Business Characteristics	Shareholding (%)	Paid-up Capital (MB)	Book Value
				According to the equity method as of December 31, 2022 (MB)
Neutra Regenerative Protein Company Limited	Produces and sell food products	50	150	140.0
Total Net Investment				140.0

Fixed Assets

As of 31st December 2022, significant fixed assets used in the Company's core business and its subsidiaries are valued at 751.1 million baht as follows:

Land and Land Improvements

Location	Area			Purpose of Holding	Holding Characteristics	Obligation	Net book value as of 31 December 2022 (MB)
	Rai	Ngan	Square 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	None	8.27



Location	Area			Purpose of Holding	Holding Characteristics	Obligation	Net book value as of 31 December 2022 (MB)
	Rai	Ngan	Square Wa				
2) Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province (Title Deed No. 22942)	-	2	60	Noodle factory	Ownership	None	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	Sauce Factory	Ownership	None	11.00
6) Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province (Title Deed No. 47663)	4	2	63	Office and factory	Ownership	None	21.61
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) Improvements of land (Title Deed No. 47663 and 7757)	-	-	-	Office and factory	Ownership	None	6.48
9) Improvements of land (Title Deed No. 30474 and 22931)	-	-	-	Sauce factory	Ownership	None	1.20



Location	Area			Purpose of Holding	Holding Characteristics	Obligation	Net book value as of 31 December 2022 (MB)
	Rai	Ngan	Square Wa				
10) 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 Krungsri Bank (Public Company) mortgage amount of 44,000,000 baht	24.70 (total of two plots (10+11))
11) 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 Krungsri Bank (Public Company) mortgage amount of 44,000,000 baht	24.70 Total of 2 plots
12) Chet Samian Subdistrict, Photharam District, Ratchaburi Province (Title Deed No. 41053) (City Food Co., Ltd.)	4	3	82.1	Office and factory	Ownership		
13) Appraisal value for land title deed No. 93068 (City Food Co., Ltd)	-	-	-	Office and factory	Ownership		20.28
14) Appraisal value for land title deed No. 41052, No. 41053 (City Food Co., Ltd)				Office and factory	Ownership		10.29
15) Appraisal value for land title deed No. 47663, No. 7757, and the	-	-	-	Office and factory	Ownership	None	14.06



Location	Area			Purpose of Holding	Holding Characteristics	Obligation	Net book value as of 31 December 2022 (MB)
	Rai	Ngan	Square Wa				
improvements of said land ⁹							
16) Land improvement (Title Deed No. 22942 to No. 22944)	-	-	-	Office and factory	Ownership	None	1.19
Net Total Land and Improvement							184.71

Buildings and Building Improvements

No.	Location	Purpose of Holding	Holding Characteristics	Obligation	Net book value as of 31 December 2022 (MB)
1.	Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province	Office building	Ownership	None	3.47
2.	Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province	Factory building	Ownership	None	126.17
3.	Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province	Office building improvements	Ownership	None	4.59
4.	Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province	Factory building improvements	Ownership	None	25.52
5.	Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province	Sauce Factory building	Ownership	None	1.28
6.	Khlong Tan Nuea Subdistrict, Watthana District, Bangkok (Nove Foods Co., Ltd.)	Office building improvements	Lease	None	0.46

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 was amalgamated with the Company.



No.	Location	Purpose of Holding	Holding Characteristics	Obligation	Net book value as of 31 December 2022 (MB)
7	Talat Chinda Subdistrict, Sampran District, Nakhon Pathom Province (City Food Co., Ltd.)	Office building and factory	Ownership	Mortgage	13.05
8	Chet Samian Subdistrict, Photharam District, Ratchaburi Province (City Food Co., Ltd.)	Office building and factory	Ownership	Mortgage	40.34
9	Appraised value for buildings and building improvements, Nakhon Pathom Province (City Food Co., Ltd.)	Office building and factory	Ownership	Mortgage	16.38
10	Appraised value for buildings and building improvements, Ratchaburi Province (City Food Co., Ltd.)	Office building and factory	Ownership	Mortgage	(2.22)
11	Utilities (City Food Co., Ltd.)	Factory	Ownership	Mortgage	8.55
12	Nawamin Subdistrict, Bueng Kum District, Bangkok (Indeem Group Co., Ltd.)	Office building improvements	Lease	None	0.72
13	Chet Samian Subdistrict, Photharam District, Ratchaburi Province (Botany Pet Care., Ltd.)	Factory building improvements	Lease	None	73.49
14	Chet Samian Subdistrict, Photharam District, Ratchaburi Province (Botany Pet Care., Ltd.)	Office building	Lease	None	7.23
15	Utilities (Botany Pet Care Co., Ltd.)	Factory	Lease	None	28.04
16	Klong Teoy District, Klong Teoy Subdistrict, Bangkok (Regeneration Capital Company Ltd.	Office building improvement	Lease	None	0.17
Net Total					347.24

Machinery and Factory Equipment

No.	Asset	Holding Characteristics	Obligation	Net book value as of 31 December 2022 (MB)
1.	Machinery	Ownership	None	53.14
2.	Tools and Equipment	Ownership	None	11.38
3.	Factory Appliances	Ownership	None	0.97
4.	Factory Decoration Machines	Ownership	None	5.23



No.	Asset	Holding Characteristics	Obligation	Net book value as of 31 December 2022 (MB)
5	Machinery (City Foods Co., Ltd.)	Ownership	Mortgage	27.56
6	Tools and Equipment (City Foods Co., Ltd.)	Ownership	None	4.69
7	Tools and Equipment (Nove Foods Co., Ltd.)	Ownership	None	2.52
8	Machinery (Botany Pet Care Co., Ltd.)	Ownership	Mortgage	71.95
9	Tools and Equipment (Botany Pet Care Co., Ltd.)	Ownership	None	18.80
10	Factory Decorations (Botany Pet Care Co., Ltd.)	Ownership	None	0.06
Net Total				196.30

Office Equipments and Vehicles

As of 31st December 2022, office equipment and vehicles used in the Company's business and subsidiary has a net book value of 21.27 million baht 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 2022 (MB)
1.	Fixture and Office Equipment	Ownership	None	18.84
2.	Vehicle	Ownership	None	1.50
Net Total				20.34



Intangible Assets

As of 31st December 2022, the Company's business and subsidiary has significant intangible assets to the amount of 1,835.19 million baht. Details are as follows:

No.	List	Holding Characteristics	Obligation	Net book value as of 31 December 2022 (MB)
1.	Computer Software (SAP)	Ownership	None	40.50
2.	Customer relations	Ownership	None	1,089.30
3.	Brand	Ownership	None	704.04
4.	Others	Ownership	None	1.35
Net Total				1,835.19



Right-of-use Assets

As of 31st December 2022, significant right-of-use assets for the Company and its subsidiaries amount to 11.53 million baht. Details are as follows:





No.	Asset	Obligation	Net book value as of 31 December 2022 (MB)
1.	Office rental agreement	None	2.18
2.	Vehicle leasing	None	9.35
Net Total			11.53

Intellectual Property

As of 31st December 2022, 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	ก312342 / 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,	23 Apr 2019 – 23 Apr 2029	5731177 / United States (USPTO)









No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
		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		
3.		(29) shrimp curry paste, crab curry paste, and beef curry paste	29 Jan 2009 - 29 Jan 2029	R29116/ New York
4.		(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 (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 (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	5 Jun 2020 - 5 Jun 2030	001506492 / EU
5.		(29) Instant curry, soup, soup products, vegetables for soups, broths, processed vegetables, processed herbs, canned curry, canned soup, and canned food (30) Sauce	23 Nov 1999 - 23 Nov 2029	814716 / Australia
6.		(29) Beef curry paste, curry paste made from fruit, and vegetable curry paste	24 Jul 2001 -	2471101 / United States













No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
		(30) Sauce	24 Jul 2021	(USPTO)
7.		(29) Fast food, curry, rice, soup, soup ingredients, vegetable soup ingredients, porridge, pickled vegetables, curry soup, and canned soup	14 Jun 2008 – 13 Jun 2028	4887011 / China
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 / ออสเตรเลีย
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.		(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 (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 (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	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
21.		(29) Soup (30) Tea	10 Oct 2000– 10 Oct 2020	2393302 / United States



No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
		(32) Fruit juice drink		(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	ก269175 / Thailand
26.		(29) Curry with coconut milk	24 Feb 2019 – 23 Feb 2029	ก315958 / 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)
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	12 Jun 2003 – 12 Jun 2033	TMA583596 / Canada
31.		(29) Instant curry, soup, soup products, vegetables for soup broths, processed vegetables, processed herbs, canned	23 Nov 1999 – 23 Nov 2029	814718 / Australia






No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
		curry, canned soups, and canned food (30) Sauce		
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 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	- 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
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-containing drinks, tea-containing drinks, and coffee	1 Oct 2019 – 1 Oct 2029	2040824/ Australia
37.		(30) Chili sauce, sweet chili sauce, and spicy BBQ sauce	¹³ -	88616191 / United States (USPTO)

¹³ In the process of trademark registration




No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
38.		(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 (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	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
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,	11 Nov 2019 – 22 Mar 2029	ก315007 / Thailand







No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
		chili sauce, sweet chili sauce, and all-purpose sauce		
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 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	161109304 / Thailand



No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
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 powder, 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.		31) Pet Food	21 Aug 2020 - 20 Aug 2030	221107206 / Thailand
47.		31) Pet Food	21 Aug 2020 - 20 Aug 2030	221107207 / Thailand
48.		31) Pet Food	21 Aug 2020 - 20 Aug 2030	221107205 / Thailand
49.		31) Pet Food	21 Aug 2020 - 20 Aug 2030	221107209 / Thailand
50.		31) Pet Food	13 Sept 2022 – 22 Mar 2031	221124357
51.		31) Pet Food	13 Sept 2022 – 22 Mar 2031	221124358
52.		31) Pet Food	13 Sept 2022 – 22 Mar 2031	221124356
53.		31) Pet Food	13 Sept 2022 – 22 Mar 2031	221124355



No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
54.		31) Pet Food	In the process of registration	
55.		31) Pet Food	In the process of registration	
56.		31) Pet Food	In the process of registration	
57.		31) Pet Food	In the process of registration	

Policy to invest in subsidiaries and associated companies

The company will invest in the business through subsidiaries in the form of registered capital and loans to subsidiaries. For associated company, the Company will invest in the registered capital of the associated company according to the shareholder agreement.

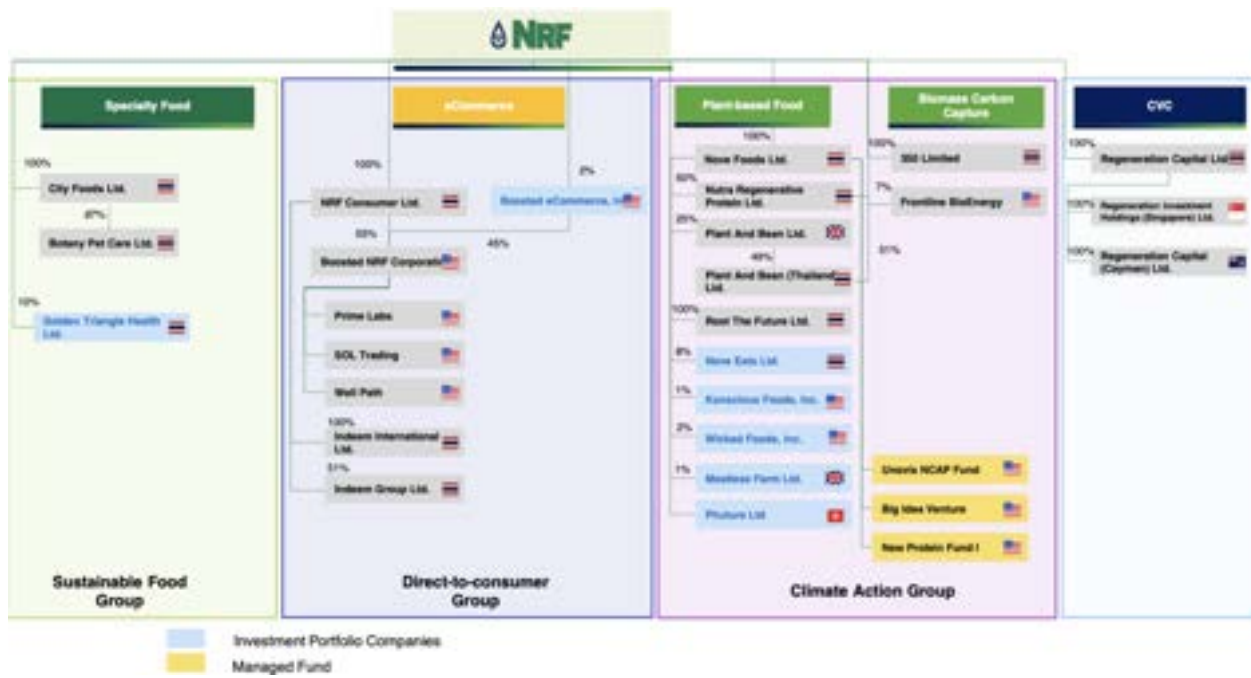
1.2.2 (5) Undelivered Work

None

1.3 Group Shareholding Structure

1.3.1 Group Shareholding Structure

The Company's business strategy is divided into 3 groups: 1) Ethnic/Specialty Food business, 2) E-commerce business (Direct to Consumer Group) 3) Climate-action product business Functional business, and E-Commerce business. As of 31 December 2022, 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						
1	Nove Foods Co., Ltd.	Thailand	205	99.99	2018/2018	Jointly invest in the business of producers of plant-based protein food products, and it 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	2017/2017	Invested in Boosted Ecommerce Inc. and Boosted NRF Corp for the E-commerce business
3	City Food Co., Ltd.	Thailand	128	100	1988/2020	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
4	Plant and Bean Co., Ltd.	United Kingdom	£5 million	25	2020/2020	Operates as a manufacturer and distributor of artificial meat (Meat analogue)
5	Meatless Farm Co., Ltd.	United Kingdom	Investment of approximately 4.76 million baht	0.875	2017/2020	Operates as a manufacturer and distributor of artificial meat (Meat analogue) under the Meatless Farm brand
6	Root The Future Co., Ltd.	Thailand	1	100	2020/2020	Operates social activities to support the consumption of plant-based foods



Company		Country	Paid-up Capital (MB)	Shareholding Percentage (%)	Year of Establishment / Year the Company Invested	Business Characteristics
7	Nove Eats Co., Ltd.	Thailand	10	8	2021/2021	Sells foods products that do not contain meat or animal product
8	350 Company Limited (formerly Super Plans Co., Ltd.)	Thailand	2.09	100	2021/2021	Invests in decarbonization business
9	Regeneration Capital Co., Ltd.	Thailand	115.49	100	2020/2020	Directs and manages investments
10	Indeem Group Co., Ltd.	Thailand	5	51	2020/2020	Sells consumer products through the membership system
11	Newtra Regenerate Protein Co., Ltd.	Thailand	5	51	2020/2020	Produces and sells food products that do not contain meat or animal products
12	Golden Triangle Health Co., Ltd.	Thailand	72	75	2020/2020	Produces and distributes hemp and cannabis products
13	Botany Petcare Co., Ltd.	Thailand	54	66.67	2020/2020	Produces and distributes pet food products
14	Regeneration Investment Holdings (Singapore) Limited	Singapore	US \$1	100.0	2021/2021	Direct and manage investments
15	Regeneration Capital (Cayman) Limited	Cayman Island	\$US 3.10 million	100	2022/2022	Direct and manage investments
Companies with a Limited Partner Investment						



Company		Country	Paid-up Capital (MB)	Shareholding Percentage (%)	Year of Establishment / Year the Company Invested	Business Characteristics
16	Big Idea Ventures Co., Ltd.	United States	Investment of approximately \$0.38 million	2.16	2019/2019-2520	Operates fund management businesses
17	New Protein Fund	United States	Investment of approximately \$0.38 million	0.4	2019/2019-2520	Operates as an investor in plant-based food startups
18	Unovis Fund	The Netherlands	Investment of €3.13 million	3.41	2021/2021	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	-	2018/2021	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	2019/2020	Acquires businesses selling branded products on Amazon.com
21	Boosted NRF Corp	The United States of America	\$16.3 million investment	55	2021/2021	Acquires businesses selling branded products on Amazon.com
22	Wicked Foods, Inc.	The United States of America	\$0.45 million investment	2.08	2021/2021	Produces ready-to-eat food products that do not contain meat
23	Konscious Foods, Inc.	The United States of America	\$1 million investment	1.33	2021/2021	Produces and sell plant-based seafood products



NRF

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





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	: <ol style="list-style-type: none"> 1) Mr. Dan Pathomvanich 2) Ms. Penhurai Chaichatchaval 3) Mr. Teerapong Lorratchawee
Authorized Directors	: Mr. Dan Pathomvanich, Ms. Penhurai Chaichatchaval, and Mr. Teerapong Lorratchawee – 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 Lorratchawee

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	: <ol style="list-style-type: none"> 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 Lorratchawee
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 Lorratchawee, and Ms. Penhurai Chaichatchaval

4) 350 Company Limited (formerly Super Plans Co., Ltd). ("350")

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 Lorratchawee
3) Mr. Dhas Udomdhammabhakdi

Authorized Directors : Two directors co-sign and affix with the Company's seal

Relationship with the Company : **350** is a subsidiary of the Company, in which the Company holds 418,152 shares, representing 99.99% of 350's registered capital. The subsidiary shares common directors with the Company, namely Mr. Dan Pathomvanich, Mr. Teerapong Lorratchawee, and Mr. Dhas Udomdhammabhakdi

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

Registration Date : 4 November 2021

Registered and Paid Capital : 115,487,135 baht (Par value 5 per share)

Office Location : 518/5 Maneeeya Center, Floor 6, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok

Country of Location : Thailand

Business Characteristics : Direct and manage investments

Directors :
1) Mr. Dan Pathomvanich



1.3.2

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

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 29 December 2022

List of Shareholders	As of 29 December 2022	
	Number of Shares (shares)	Shareholding (%)
1. Asian Food Corporation Co., Ltd. ¹	509,533,180	35.94%
2. DP Partners Co., Ltd. ²	177,663,720	12.53%
3. DPA Fund S Co., Ltd. ³	115,202,241	8.13%
4. DLN 2017 Co., Ltd. ⁴	85,156,016	6.01%
5. Mr. Dan Pathomvanich	41,000,000	2.89%
6. Miss Charumon Vanichsuwan	18,118,496	1.28%
7. Mr. Damkerng Pathomvanich	16,552,380	1.28%
8. Mrs. Yosawin Vanichswan	16,157,900	1.14%
9. Mr. Prayong Vanichsuwan	15,900,000	1.12%
10. Thai NVDR Co., Ltd.	12,958,689	0.91%
Total	1,008,242,622	71.12%

(B) Major shareholders who, by circumstance, significantly influence the Company's policy making, and management or operations as of 29 December 2022

List of Shareholders	As of 29 December 2022	
	Number of Shares (shares)	Shareholding (%)
1. Pathomvanich Family		



List of Shareholders	As of 29 December 2022	
	Number of Shares (shares)	Shareholding (%)
1.1 Asian Food Corporation Co., Ltd. ^{/1}	509,533,180	35.94%
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}	85,156,016	6.01%
1.5 Mr. Dan Pathomvanich	41,000,000	2.89%
Total	928,555,157	65.50%

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. ^{/6}	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. ^{/7}	1	100.00

/4 Details of shareholders of DPA 2017 Ltd. are as follows:

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

/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

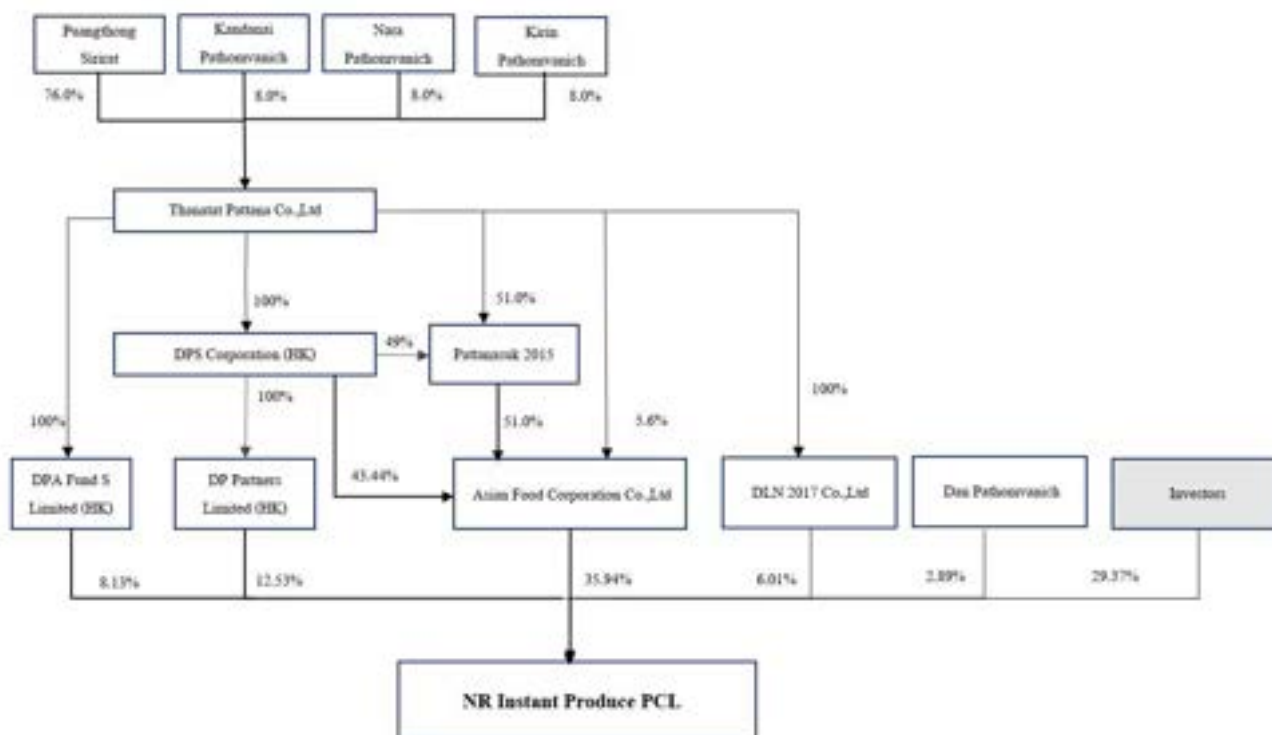
Additionally, the Board of Directors' of Thanatat Pattana Co., Ltd., granted Mr. Dan Pathomvanich management authority.

(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 Mintarkhin, 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 อินสแตนท์ 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 2022)	: 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 2022, 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 at a value of not more than 2 billion baht.

On 23rd July 2021, the company issued debentures and offered them to institutional investors or high net worth investors. The debentures are unsubordinated, without collateral and with no rating, and there are shareholders' representatives. The debenture issuer has the right to redeem the debentures before maturity with a total credit line of 700 million baht, with a 2 year term and interest rate of 6.5% per annum, payable quarterly throughout the debenture life. The debentures are stipulated in maintaining the net debt to equity ratio according to consolidated financial statements of not more than 2:1 for each quarterly accounting period over the term of the debentures. The objective is to use the proceeds from the issuance and offering of debentures for the operation and/or business expansion and/or working capital of the Company. or for other purposes as the Board of Directors deems appropriate.

On 20th October 2022, the company issued debentures and offered them to institutional investors or high net worth investors. The debentures are unsubordinated. There is no collateral, no rating, and there are shareholders' representatives. The debenture issuer has the right to redeem the debentures before maturity, with a total amount of 1,300 million baht, maturity of 2 years and 6 months, and an interest rate of 6.75% per annum, payable quarterly throughout the debenture life. The debentures are stipulated in maintaining the net debt to equity ratio. According to consolidated financial statements, not more than 2:1 for each quarterly accounting period over the term of the debentures. The objective is to use the proceeds from the issuance and offering of debentures for the operation and/or business expansion and/or working capital of the Company. or for other purposes as the Board of Directors deems appropriate.

Since the company has been authorized by the SEC to issue and offer debentures this time to institutional investors and/or high net worth investors in accordance with the Notification of the Capital Market Supervisory Board No. Tor Jor. 17/2561 Re: Application for and Approval of Offer for Sale of Newly Issued Debt Securities dated 17th January 2018 (including any amendments or replacements) (Announcement Tor Jor17/2561) to institutional investors and/or high net worth investors, whereby the Company has registered the transfer restriction to be limited to institutional investors and/or high net worth investors with the Office of the Securities and Exchange Commission. Therefore, the company and/or the debenture registrar will not accept the transfer of the debentures at any level to other persons who are not institutional investors and/or high net worth investors according to the Notification of the Securities and Exchange Commission No. Kor. Jor. 5/2552 Re: Determination of Definitions in Notifications Regarding Issuance and Offer for Sale of All Types of Debt Instruments dated 13th March 2009 (including amendments or supersedes) and according to the Notification of the Securities and Exchange Commission and the Stock Exchange of Thailand No. Kor Jor. 4/2560 Re: Definition of Institutional Investors special high net worth investors and high net worth investors, dated 8th February 2017 (including any amendments or supersedes), except for inheritance transfers.

The Company has the right to redeem or repay the whole or part of the principal of the debentures (whether all at once or several times) before the maturity date of the debentures. In the event that the issuer of debentures exercises the right to partially repay the debentures prior to maturity, the principal that the debenture issuer will exercise the right to redeem in each repayment or partial repayment must not be less than 10% (ten percent) of the principal amount as of the issuance date, and redemption from or partial repayment of the



bond principal to each bondholder. This will be done by paying back the principal for each unit of debentures in equal proportion to the debenture holders, together with accrued interest, up to (but excluding) the date of partial redemption of the debentures. The Company may exercise the right to repay the debentures before maturity, from (and including) the maturity date of 1 (one) year from the issuance date. (which is August 5, 2022) onwards, on the day that the principal of the debentures will be repaid. Before such maturity, it must coincide with the maturity date of interest payment (regardless of any period) only.

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 2022, the 2022 Annual General Meeting of Shareholders resolved to approve the allocation of profit from operations for the year 2021 by paying dividends in common shares to the existing shareholders of the company, and pay dividends in cash at a rate of 0.04 baht per share or not more than 58,121,988.28 baht or equivalent to a dividend payment rate of 30% of 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 has already paid such dividend on 20th May 2022.



2. Risk Management

2.1 **Policy and Risk Management Plan.**

The Company is well aware of the importance of risk management and to ensure clarity in risk management, the Company has established the following risk management policies:

1. Foster a risk management culture throughout the organization by providing knowledge and understanding, creating awareness and shared responsibility for risk management to executives and employees at all levels
2. Determine appropriate guidelines and requirements regarding risk management that is highly effective and universal to regulate, control and reduce the impact of risks.
3. Identify various risks in the organization, conduct risk analysis and assessment, prioritize risk and then take action to manage the risks. Provide measures to control, monitor, evaluate and report risk status to the Board of Directors on a regular basis, including accurate communication of information about risks continuously within the company.
4. Consider the criteria for measuring risks and the level of risk that is acceptable (Risk Appetite) for the year.
5. Determine events that may occur and the level of risk that is a “trigger” or an early warning sign or a specific emergency crisis for those responsible for the risk management process so that they can implement risk management measures in a timely manner to reduce possible occurrence or help mitigate the impact that may occur.
6. Regularly review the risk management framework/policy to ensure that such frameworks/policies are still consistent with the business and environmental context.
7. Supervise and monitor the implementation of the risk management guidelines and risk management policies approved by the Board of Directors to control that risk to an acceptable level and report key risks, risk status, as well as the progress or results of managing those risks to the Board of Directors regularly.
8. Set a clear risk management structure to make the management realize and take responsibility for the risk management in their work by linking risk management with operational goals. This creates a culture of risk management throughout the organization.
9. Review of the Risk Management Committee Article of Association by increasing corporate risk considerations to cover corruption risks.

Risk Management Structure

- Board of Directors
 1. Supervise risk management so that the risk management policy is implemented efficiently and continuously.
 2. Support the creation of effective and efficient risk management culture and internal control.



- Risk Management Committee

1. Determine risk management policies such as strategic risk, operational risk, financial risk, compliance risk, sustainability risk (ESG Risk), fraud and corruption risk, reputation risk, investment risk, and risk (Emerging Risk) according to the risk management guidelines of COSO Enterprise Risk Management 2017 (COSO ERM2017).

2. Determine the company's risk management strategies and guidelines in line with the risk management policy to be able to assess, monitor and control each type of risk to an acceptable level.

3. Supervise and monitor compliance with the risk management policy.

4. Review the risk management framework and suggest ways to improve it if necessary to ensure efficient and effective implementation.

5. Regularly report to the Board of Directors on the management, operations and risk status of the company and any changes, including what needs to be improved to be consistent with the established policies and strategies.

- NRF Risk Management Working Group

Every person in the company is responsible for assessing risks in the work they are responsible for, along with control activities, as well as reporting improvements to the risk management working group to ensure the organization achieves its business objectives.

Risk Management Process

Risk management is one of the important work systems of an organization, especially in today's world of uncertainty. Risk management is therefore an important strategies that everyone in the organization should pay attention to and participate in. To prevent and avoid risks that may damage the organization, the company is utilizing the Enterprise Risk Management Framework – Integrating with Strategy and Performance Framework , or COSO ERM 2017, is the basis for managing enterprise risks.

Key principles of risk management according to the COSO ERM 2017 concept are divided into 5 principles. These principles must be related and interrelated. To achieve the objectives of risk management. The five key principles are as follows:

1. Corporate governance and corporate culture (Governance and Culture)
2. Strategy and Objective-Setting
3. Performance (Performance)
4. Review and Revision
5. Information, Communication, and Reporting



Risk Management Culture

The Group of Companies realizes to manage risk effectively, cooperation from everyone in the organization is needed. Therefore, to raise awareness and instill culture throughout the organization, the Group has fully implemented the international standard practice, namely the Committee of the Sponsoring Organizations of the Treadway Commission (COSO) in each business. An example of creating a risk management culture

- Considering risk when making decisions: The management manages risks on a regular basis when making important business decisions. This includes discussion and review of the situation on risks that helps everyone understand the effects and interrelationships of risks before making a decision
- Promoting risk awareness across the business: Senior management regularly messages employees that risk management is part of their responsibility and risk management is not only an important benefit but it is also essential to the success and survival of the business (Tone from the top).

2.2 Risk Factors for the Company's Business

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 by 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 26.4% of the total raw material purchase in 2022. 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 keep track of, by inquiring both suppliers and farms that are partners with the Company. For containers and packaging raw materials, the Company sources from several 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 yet encountered any significant raw material procurement problems. 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.

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 Regenerative 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. The E-Commerce platform is another channel to expand business, but after the COVID situation has eased, online consumer behaviour has slowed. However, the Company still has other active sale channel such as Omni channel that focuses both offline and online.

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 2022, there is only one customer that accounted for more than 10.00% of total sales revenue in 2022, which is 13%. The Company's top 5 and 10 biggest customers accounted for 34% and 47% of 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. Financial Risk

- 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 2021 was \$31.80 million and €0.89 million, and in 2022 it was equal to \$28.50 million and €0.62 million, or equivalent to 75% and 2% of the Company's total sales revenue, respectively. It can be seen that exchange rate fluctuation significantly affect Company's revenue.

However, the Company procures raw materials and packaging from Thailand, and export of raw materials account for only 1% of all raw material purchase.

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.

- Financial cost risk

The Company has issued 2 debentures: in 2021 to the amount of 700 million baht at the interest rate of 6.5% and in 2022 to the amount of 1,300 million baht at the interest rate of 6.75% and has entered into long-term loan agreements from financial institutions for investment in various projects. The Company has obligation to pay interest on this loan, however, there is enough cashflow from operations to pay such interest.

- Risk of repayment of debentures at maturity

Since the company issued debentures in the amount of 700 million baht that needs be repaid in July 2023, there is a risk that the company will not be able to repay when they are due. However, the company has already allocated cash to repay the debentures due in July.



H) Geopolitical risks

The war between Russian and Ukrain has resulted in higher energy costs and inflation, causing higher interest rates. This is the reason for the slowdown in sales revenue of companies in Europe and America. The company plans to expand its own brands sales territory in the Americas and Europe by increasing distributors and opening up new overseas markets.

I. Risks related to regulations

- 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 with 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 are 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.

- 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 manufacture products by mainly by machines, and build a sauce factory to cut manufacturing cost, for example.



J. Other risks

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

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 Investment risks of securities holders

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 1993 (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.

The company has issued warrants to purchase shares which will expire on May 26, 2023 and the current market price is lower than the exercise price, resulting in warrant holders and investors in warrants that are not exercising their rights will lose benefits



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

The company has goals and guidelines for driving business towards sustainability in line with the United Nations Sustainable Development Goals (UNSDGs) Sustainable Development Goals. At present, the Company has developed operational processes in line with all 13 goals and has also become a member of the United Nations Global Compact Network Thailand (UN GCNT) since 2018, with Mr. Dan Pathomwanich, Chief Executive Officer serving as a sub-committee on the environment from 2020 - 2021, having played a role in proposing creative ways to create awareness and participation in the business sector together with many leading companies in Thailand. In addition, Mr. Dan Pathomwanich is currently the Chairman of the Subcommittee on Technology and Innovation and a committee member of the Thailand Carbon Neutral Network, which reaffirms our commitment to sustainable economic, social and environmental development in Thailand and internationally.

The company operates its business with commitment and gives emphasis to all groups of stakeholders from upstream to downstream in delivering good products and services to consumers. The company has set a framework for corporate-level sustainability management in changing the supply chain, not only for profits but for creating a leading company in the production and distribution of food using future innovation with the aim of sustainable growth and full awareness of environmental and social impacts throughout the supply chain. The Company aims to create efficient economic value according to the Triple Bottom Line principle as follows:

1. 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.
2. Planet: The Company focuses on protecting 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.
3. 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.

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. In 2019, the Company joined the United Nations Global Compact Network Thailand (UN GCNT), a large organisation that focuses on sustainable business according to the 10 provisions in the areas of human rights, labour, environment, and anti-corruption, the Company has responded to such requirements by 1) conducting business with strategies and plans to support the above 10 provisions; 2) Strategic action in a structured manner to develop according to broad social goals according to the 17 Sustainable Development Goals of the United Nations.



Sustainable contributions according to the United Nations Sustainable Development Goals (UNSDGs)

1 NO POVERTY 	70,000 ราย ช่วยเหลือเด็ก เยาวชน และผู้ที่ยากจน อาหาร	10 REDUCED INEQUALITIES 	<ul style="list-style-type: none"> 8 ราย จำนวนผู้ถูกพละการ 1 : 1.37 : 0.17 สัดส่วนการจ้างงานแยกตามกลุ่มอายุ (ต่ำกว่า 30 ปี, ช่วงอายุ 30 - 50 ปีและมากกว่า 50 ปี) ไม่เลือกปฏิบัติ อายุ เพศ ความบกพร่องทางร่างกาย เชื้อชาติ ชาติพันธุ์ แคล้งกำเนิด ศาสนา หรือสถานะทางเศรษฐกิจหรืออื่นๆ
2 ZERO HUNGER 	140,447 มื้อ สนับสนุนให้ผู้ยากไร้เข้าถึงอาหารอย่างเท่าเทียม	11 SUSTAINABLE CITIES AND COMMUNITIES 	<ul style="list-style-type: none"> จัดเตรียมและดูแลความสะอาดของรถรับส่งพนักงานโรงงาน เพื่ออำนวยความสะดวกในการเดินทางของพนักงานและลดโอกาสในการแพร่เชื้อของ COVID-19 จากการเดินทางผ่านรถสาธารณะ ลดการทิ้งขยะไปสู่หลุมฝังกลบ พบปะชุมชนโดยรอบโรงงาน เพื่อรับฟังปัญหาและสนับสนุนอุปกรณ์ทางการแพทย์อย่างสม่ำเสมอ
3 GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"> 45 ราย จำนวนผู้ป่วยติดเชื้อและผู้ที่ได้รับ การตรวจสุขภาพประจำปีที่ได้รับการช่วยเหลือถึงขั้นเสียชีวิตจากผลกระทบของ COVID-19 จัดสรรการฉีดวัคซีน COVID-19 และตรวจ ATK พนักงานทุกคนก่อนเข้าทำงาน 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> 5,600 กิโลกรัม นำขยะจากกระบวนการผลิตไปใช้ประโยชน์ มีการบริหารจัดการของเสียอันตรายไปกำจัดอย่างถูกวิธี ปรับปรุงกระบวนการผลิตเพื่อลดของเสียและการสูญเสียอาหาร
5 GENDER EQUALITY 	<ul style="list-style-type: none"> 1 : 1.57 สัดส่วนการจ้างงานเพศชายต่อเพศหญิง องค์กรเคารพสิทธิในการแสดงออกตามเพศสภาพของพนักงานให้ทุกคนได้แสดงศักยภาพและความสามารถในการทำงาน 	13 CLIMATE ACTION 	<ul style="list-style-type: none"> คุณแอน ปฐวาระนิมิได้รับการยอมรับในฐานะ Climate Actor เช่น ได้รับเชิญเข้าร่วมงาน COP27 ณ Sharm el Sheikh ประเทศอียิปต์ และงาน UN General Assembly ประจำปี 2565 ณ ประเทศสหรัฐอเมริกา ประเมินคาร์บอนฟุตพริ้นท์ขององค์กรเป็นปีที่ 4 ติดต่อกัน จัดทำโครงการไปรษณีย์จากของเหลือทิ้งจากกระบวนการผลิต เพื่อลดขยะที่ส่งสู่หลุมฝังกลบ จัดตั้งบริษัท 350 Corporation เพื่อรณรงค์ Climate Action 350 และพัฒนาเทคโนโลยีที่เก็บคาร์บอนไดออกไซด์จากการจำกัดของเหลือทิ้งจากกิจกรรมทางเกษตร จัดทำกิจกรรม Earth day 2021 ทำความสะอาดภายในเขตและบริเวณรอบเขตของสถานประกอบการประจำปี, ส่งมอบวัตถุอันตรายเกษตรเหลือจากการผลิตให้กับกลุ่มเกษตรกรมากกว่า 2000 กิโลกรัม และการจัดกิจกรรมแยกขวด PET เพื่อผลิตเป็นชุด PPE กว่า 400 ชุด ร่วมกับโรงพยาบาลพญาไท
6 CLEAN WATER AND SANITATION 	<ul style="list-style-type: none"> จัดตั้งจุดน้ำดื่มสะอาดให้กับพนักงาน มีระบบบำบัดน้ำเสียก่อนปล่อยสู่แหล่งน้ำธรรมชาติ พบปะชุมชนโดยรอบโรงงาน เพื่อสำรวจผลกระทบทางน้ำจากการดำเนินงานของบริษั 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	<ul style="list-style-type: none"> ได้รับการรับรองเป็นองค์กร จากแนวร่วมต่อต้านคอร์รัปชันของภาคเอกชนไทย (Thai Private Sector Collective Action Against Corruption) จัดอบรมนโยบายความมั่นคงปลอดภัยสำหรับระบบสารสนเทศและนโยบายคุ้มครองข้อมูลส่วนตัว (PDPA) ให้กับพนักงานทุกฝ่าย มีนโยบายและแนวปฏิบัติด้านการต่อต้านคอร์รัปชัน (Anti-Corruption Policy) มีกลไกในการรับเรื่องร้องเรียน และการดำเนินการกรณีมีการยื่นเบาะแสการทุจริต (Whistle Blowing Policy) มีนโยบายที่ส่งเสริมการไม่เลือกปฏิบัติและสนับสนุนความรุนแรง
7 AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> 27% การใช้พลังงานไฟฟ้าจากพลังงานทดแทน (Solar Rooftop) 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<ul style="list-style-type: none"> ลงทุนในการวิจัยและพัฒนาเทคโนโลยีที่เก็บคาร์บอนไดออกไซด์จากการจำกัดของเหลือทิ้งจากกิจกรรมทางเกษตรร่วมกับองค์กรระดับโลกในสหรัฐอเมริกา และมหาวิทยาลัยชั้นนำของไทย ศึกษาเทคโนโลยีและนวัตกรรมด้านธุรกิจ ตั้งโรงงานผลิตอาหารโปรตีนทางเลือกจากพืชในประเทศไทย ในนามบริษัทร่วมทุน NRPT ลงทุนใน Joint Venture เพื่อขยายฐานการผลิตในทุกทวีปทั่วโลก และลดข้อจำกัดทางด้านโลจิสติกส์ ขยายขนาดกำลังการผลิตโรงงานหลักของบริษั พัฒนาการผลิตอาหารสัตว์ เพื่อตอบสนองต่อลูกค้าที่ค้าส่งขยายตัว ดำเนินการวิจัยและพัฒนาอาหารโปรตีนทางเลือกจากพืช

Essence of company review in terms of sustainability management goals/policy in the past year.

The company has a Sustainability Department to carry out activities that promote the Company to become a leader in the sustainable production and distribution of food and has formulated policies and various operational plans that are in line with the goals



for employees in the organization to continuously implement. The company has prepared a sustainability report for publication on the United Nations database and will continue to do so on an annual basis.

The Corporate Governance & Sustainability Committee (CGSC) has approved the announcement of the sustainable development policy of NR Instant Produce Public Company Limited, to confirm intentions and commitment to create social and environmental value on the basis of good corporate governance. The company has integrated the UN Sustainable Development Goals (SDGs) as part of the strategy and operations of the company as follows:

1. Manufacture quality products with standards certification both domestically and overseas through the use of quality raw materials and packaging, taking into account mutual growth and development throughout the supply chain in order to deliver quality products in compliance with food sanitation and nutrition principles, as well as creating maximum customer satisfaction.
2. Conduct business in compliance with legal requirements, relevant regulations within the country and abroad where the Company's business operates. Comply with the Company's good corporate governance policy, anti-corruption, bribery, transparency, verifiability and compliance with sustainable development guidelines.
3. Conduct business with regards to reducing environmental impacts and adapting to climate change and environmental conservation with efficient use of resources and energy. Ensure procurement is environmentally friendly as well as eco-friendly production of goods and services.
4. Provide continuous reporting of information on sustainability operations to stakeholders openly, transparently and continually responsible for society.
5. Invest in research and product development in order to upscale innovation and technology in environmentally friendly production process in respond to today's consumers needs, with growth targets in line with the Green Economy concept under the sustainable development context.
6. Expand a green supply chain network through cultivating consciousness to promote virtue, good ethics and social responsibility as the culture of the organization while enhancing knowledge and awareness of environment and climate management for employees, customers, business partners and related stakeholders.
7. Respect and protect human rights for stakeholders throughout the business chain. Treat employees with equality and fairness. Promote local employment without any discrimination whether for the disadvantaged or disabled, regardless of race, religion, sex, age, education, belief or any other matter. Provide welfare safety and hygiene in the workplace covering new and re-emerging diseases as well as build capacity to ensure professional work for employees.
8. Support Thailand towards becoming a Net Zero Emission country before 2065 (as announced by government) through partnerships, development and implementation of greenhouse gas reduction projects. and operations that reduce environmental impact for stakeholders throughout the supply chain, mobilizing all towards a carbon neutral community.



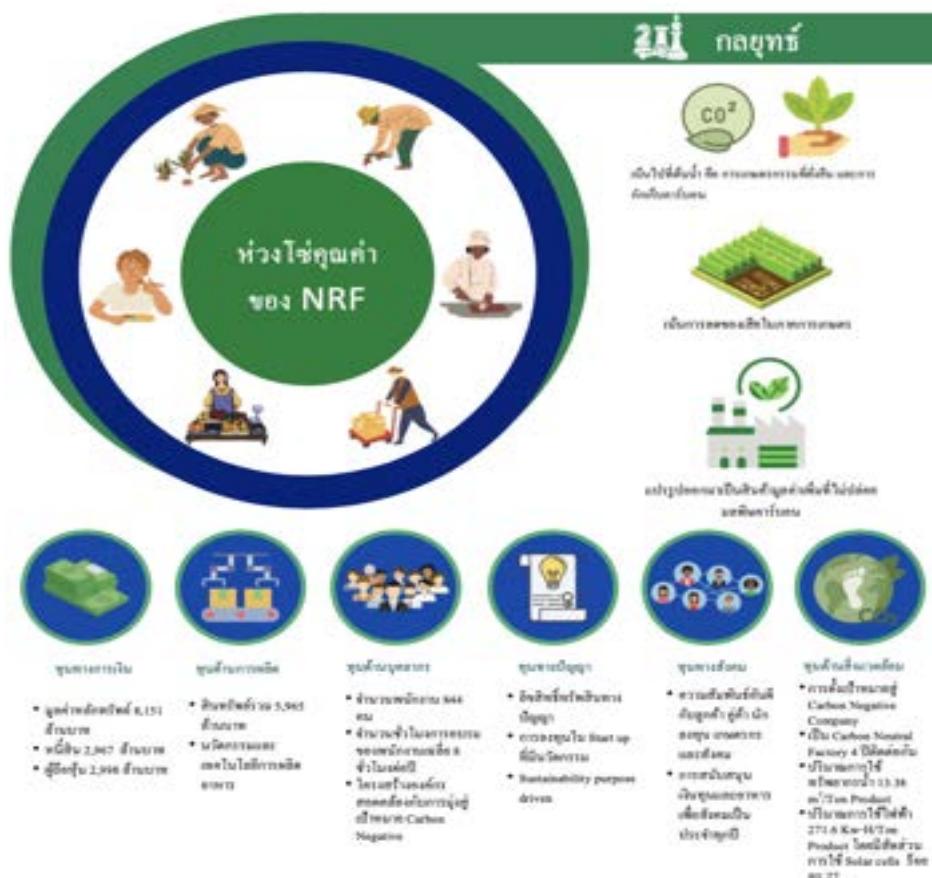
3.2 Managing the Impact on Stakeholders in the Value Chain

The Company has set a goal to become a Net Zero Carbon Emissions Company or Carbon Negative Emission Company by the year 2050 with the following missions: reducing carbon emissions in the food system. Committed to using clean technology in its production of products and services, it will plan operations for the supply chain to help the environment and promote biodiversity using advanced technology to reduce carbon emissions as well as increasing plant-based production capacity that emits lower carbon than animal feed production. The Company is also studying the use of blockchain technology in packaging and marketing as well as expanding sales channels through E-Commerce to customers, which will reduce carbon in the transportation and distribution process.

The Company analyzes and plans carbon mitigation actions throughout the value chain, focusing upstream, namely on agriculture, by helping reduce agricultural waste and transforming it into value-added products that do not emit carbon emissions.

Such trends is also reflected in the company's policy that has expanded its scope to cover environment protection, setting a framework that includes mitigation of greenhouse gas emissions from the product to the upstream production process (Scope 2&3), which is the main cause of greenhouse gas emissions from the agricultural sector. The company will also continue its business based on processing of residue from agricultural raw materials, the source of PM2.5 dust caused by burning which will be turned into bio-fertilizer, bio-carbon and electricity for use in other business operations.

3.2.1 Business Value Chain



3.2.2 Stakeholder Analysis in the Business Value Chain

3.2.2 Stakeholders analysis in the business value chain



In addition, the Company places great importance and attention on the interests of stakeholders. In respecting the rights of those stakeholders and ensuring fair and transparent options, the company has analyzed and identified 8 types of stakeholders, both individual and other types. The Company provides various channels for stakeholders to participate in the audit company operations as follows:

Priority	stakeholders	Communication	Stakeholder Expectations	Company Response
Stakeholders within the organization				
1	Investor group (Shareholders, investors, analysts, creditors, credit rating agencies, business partners)	<ul style="list-style-type: none"> - 56-1 ONE Report - Annual General Meeting of Shareholders (AGM) - Announcement of quarterly results including the annual performance and disclosure of information on the Company's website - Quarterly analyst meeting - Roadshow for investors - Quarterly Management Discussion and Analysis (MD&A) and Investor Relations News - The Company's communication channels include the Company's website, email, telephone, social media platforms (Facebook and Instagram). 	<ul style="list-style-type: none"> - Transparent and verifiable operations - Stable and sustainable operation with social and environmental responsibility - return on investment - Risk Management 	<ul style="list-style-type: none"> - Building confidence in shareholders by disclosing truthful, transparent and verifiable information. - Organize one annual general meeting of shareholders. - Sustainable business operations - preparation of annual report to communicate with investors continuously



2	Employee	<ul style="list-style-type: none"> - Notification of news via electronic mail - Arrangement of meetings - Surveys and Complaints 	<ul style="list-style-type: none"> -receive appropriate compensation and resources for performing duties - The company gives importance to all employees equally 	<ul style="list-style-type: none"> - Compensation and welfare in full - 360-degree evaluation for the fairness of the organization and all employees. - Communicating news and information via electronic mail - Townhall
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Stakeholders outside the organization				
3	Customers and consumers	<ul style="list-style-type: none"> - Call center - Information provided via social media (website, Facebook, Instagram) - Channels for receiving suggestions and complaints - Social activities 	<ul style="list-style-type: none"> - Product quality - Variety of products - Logistics 	<ul style="list-style-type: none"> - Opening a platform for comments, suggestions and complaints. - Conduct a customer satisfaction evaluation according to BRC Standard - Summary of customer satisfaction with the company's products and services along with a strategic planning meeting to continue to respond to customer needs
4	Community		<ul style="list-style-type: none"> - Protection against environmental impacts - Management of community-related resources - Helping and creating benefits for the community 	<ul style="list-style-type: none"> - Implementation of measures to reduce the impact on the community - Organize activities to help the community



5	Manufacturer	<ul style="list-style-type: none"> - Communication through online channels - Awareness activities 	<ul style="list-style-type: none"> - Fair business - Exchange of agricultural knowledge - Being a source of capital 	<ul style="list-style-type: none"> - Opening an area for comments, suggestions and complaints. - Conduct an ethical assessment for business partners. - Summary of customer satisfaction with the company's products and services along with a strategic planning meeting to continue to respond to customer needs
6	Government agencies	<ul style="list-style-type: none"> - Meetings with government agencies on various issues and cases - preparation of performance reports and operations to relevant government agencies - Communicating with government officials to foster a good understanding of the expectations of those involved - Regular participation in activities and projects of government agencies. - Participation in meetings to acknowledge policies and governance guidelines 	<ul style="list-style-type: none"> - Operations are in accordance with laws and regulations. - Be transparent and comply with the law in every step of the operation. - Conducting business based on principles of corporate governance and sustainable development By complying with relevant laws and within the scope of appropriate risk management. - Supporting Government Agencies in Sustainable Development and Climate Change 	<ul style="list-style-type: none"> - Strict compliance with relevant laws - Communicating with government officials to enhance understanding and responding to the expectations of government agencies accurately. - Engaging with government agencies and organizations through various activities



7	Partners and joint ventures	<ul style="list-style-type: none"> - Meeting customers and signing cooperation contracts - Supplier selection and evaluation process - Determination of code of conduct for business partners 	<ul style="list-style-type: none"> - Various quality assurances of the factory - Operating under standardized requirements - Operation that is transparent, fair, can be verified to enhance the business in the future - Procurement policies and regulations 	<ul style="list-style-type: none"> - Maintain the level of quality of products and services Including developing new projects to meet future partners. - Have clear, transparent and fair procurement-employment standards and policies - Participate in development and provide advice on sustainable procurement development.
8	Mass media	<ul style="list-style-type: none"> - Communication platform and whistleblowing channel to collect suggestions, comments, complaints, etc. - Press Conference / Press Release - Exclusive Interview - Visit Media 	<ul style="list-style-type: none"> - Disclose clear, transparent and verifiable information. 	<ul style="list-style-type: none"> - Media interviews and press conferences - Press releases related to the Company's information through Facebook, Instagram and the Company's website.

The company plans to establish and integrate businesses that reduce carbon emissions through 350 Co., Ltd., a company engaged in decarbonization and Nove Foods Co., Ltd., a plant-based protein business to provide an general outlook of Nove Foods as a business that concretely fights against global warming. The business will offer both Zero-carbon food products, such as plant-based protein foods but at the same time, produce bio carbon fertilizer that will allow upstream farming to emit negative carbon. Various markets from bio oil and bio carbon will be created to reduce greenhouse gas emissions, such as the green asphalt market from bio oil, green shipping market from biooil, green cement market from bio carbon, green steel market from biocarbon, for example. In the meantime, the Company is in the process of discussions with business partners to jointly develop the project. The goal of the pilot project's early stages is to be able to prove that the business can actually reduced greenhouse gas emissions through international scientific verification. In addition, experience and knowledge from actual operations will enhance the efficiency of the bio carbon storage business in terms of the economical, social and the environmental context of Thailand. This is to ensure sustainable business conduct with profits. and the use of products manufactured in NRF's business chain in the future to be fully integrated by storing data in the system. Both sources of raw materials for agricultural products and carbon credits generated will be imported and stored through the Blockchain system that will create transparency in terms of environmental law, accuracy in terms carbon reduction, verifiability in terms of storage and carbon credit utilization and non-intervention unless permitted by the auditor and other stakeholders. The knowledge gained from operations, experiments, and the use of production technology and storing data through



Blockchain can be used efficiently for long-term business expansion which can be carried out at the industrial level in large sectors that will increase efficiency due to economy of scale.

The major cause for change in organizational direction is that in the past year, the Company has contacted a technology engineering company to organize COP26 seminars for the Company and various public and private organizations with the view that these markets are forerunners in innovation that are strongly supported by international organizations and can also fulfill the commercial factors. In addition, the Company sees environmental problems such as PM2.5 as becoming more serious. While no single solution can completely handle the economic-social-environmental structure, but the company foresees an important business opportunity in bringing agricultural waste such as cob, tree bark, corn, rice stubble, to be processed into bio-fertilizer, bio-carbon that creates added value. These materials are at present waste that are mostly burned in open areas. In addition, Thailand has set a goal to reduce carbon emissions to zero by the year 2050, which is a good opportunity for the company to start the concept of green agriculture and carbon credits by seizing the opportunity to be a First Mover in the macro-industrial structure that is currently in transition.

3.3 Environmental Sustainability Management

3.3.1 Environmental policies and practices

With the effects of climate change, environmental pollution, waste, and biodiversity loss problems that are becoming more serious every day, coupled with limited resources that are being depleted, the quality of life of people in society, global food security and continuity of many businesses are directly and indirectly affected. For this reason, in 2022, the company is determined to contribute to the conservation of the world's environment by changing the concept of business operations to offer sustainable products and services that are friendly to both consumers and the environment. The Company has an important policy as a guideline for the management, directors and employees as follows:

- Committed to conducting business that is eco-friendly and sustainable.
- Manage the organization so that available resources are used cost-effectively and efficiently in order to reduce the impact on the environment and surrounding communities
- Work with care for the safety of employees, surrounding communities and consumers.

In addition, the Company has set a goal to become a Net Zero Carbon Emissions Company by the year 2050 with the as well becoming a Carbon Negative Emission Company by reducing carbon emissions in the food system. Committed to using clean technology in its production of products and services, it will plan operations for the supply chain to help the environment and promote biodiversity using advanced technology to reduce carbon emissions as well as increasing plant-based production capacity that emits lower carbon than animal feed production. The Company is also studying the use of high technology for sequestering carbon dioxide from agricultural activities to add value to agricultural waste and carbon credit through 350 Co., Ltd.



3.3.2. Environmental performance

1) Tackling climate change

Climate change is intensifying today as can be seen from the phenomenon of severe natural disasters, global warming, decreased biodiversity as well as the variable weather patterns in many continents around the world. Climate change risk is one of the key risks to business growth so it is imperative that businesses are aware of climate risks and consider carefully the impact of and how businesses can adapt and continue to grow under this risk.

Management Approach

1. Formulation of policy to implement sustainable development goals by emphasizing the management of greenhouse gases emission throughout the supply chain.
2. Management of risk and opportunity through analysis of risks and opportunities as well as both direct and indirect impacts from operations that may affect the Company.
3. Finding opportunities and applying the business model to develop such business opportunities on climate change issues through integration into the organization's strategy and development of innovation and technology to increase the capacity to respond to climate change for the food industry.
4. Social engagement to publicize climate change issues to all stakeholders through corporate communication channels as well as accept feedback on expectation in order to develop appropriate guidelines.

Climate Change Risk Management

Risk	Impact on the company
Strategic risk	Since the company is a food producer that procures water and agricultural raw materials, climate change has a direct impact on the Company whereby business cannot continue as before. This may affect the strategy and direction of business operations.
Operational risk	The severity of natural phenomena, droughts, and floods affect property, logistics of raw materials and products, business travel or business operation of the company.
Financial risk	Climate change affects people around the world, highlighting the need for environmental conservation. With this awareness, more people turn to eco-friendly food and products and online channels purchase to reduce fuel consumption; all of which have a positive impact on the company. However, there may be some regulatory changes that are costly to adjust from the increased changes.



Regulatory risk	Changes in government policies/regulations in response to climate change, in particular, levying a carbon tax on the amount of carbon dioxide emitted by the responsible organization.
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Operations

The Company has set strategies and targets for climate management: Net zero emission goal by 2050 through participation in national and international climate change standards, such as Science Based Target Initiative, Race to Zero, Carbon Footprint according to the requirements of the Thailand Greenhouse Gas Management Organization (Public Organization), which corresponds to the ISO 14064 standard and the Renewable Energy 100 Club. In addition, the Company cooperates 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 in order to become a carbon neutral community.

In 2022, the Company has assessed its greenhouse gas emissions both Scope 1, 2 and 3 of NR Instant Produce Co., Ltd. (Headquarters) and City Food Co., Ltd. (Nakhon Pathom factory) and found total direct greenhouse gas emissions at 3,348 tCO₂e, indirect GHG emissions from energy use are 1,572 tCO₂e and other indirect greenhouse gas emissions equal to 15,664 tCO₂e. The total greenhouse gas emissions of the factory are 20,584 tons of carbon dioxide equivalent, which has been verified for the carbon footprint assessment of the organization from the Greenhouse Gas Management Certification Body, Faculty of Energy and Environment, University of Phayao. There is a plan to offset the total amount of greenhouse gases generated (Carbon Offset) by May 2023.

Table comparing GHG emissions per ton of production

Certified Company	Unit	2563	2564	2565
NR Instant Produce Public Company Limited"	tCO ₂ e/Ton-production	0.33	0..30	0.32
City Food Company Limited (Nakhon Pathom Factory)		not yet certified	0..26	0.26



Greenhouse Gas Reduction

The company uses clean electricity from solar cells in the production plant of NR Instant Produce Public Company Limited, with solar panels installed on the roof of the production plant to increase the proportion of clean energy in the production process and reduce the Company's greenhouse gas emissions.

It was found that in 2022, the company was able to reduce greenhouse gas emissions from indirect emissions from use of purchased electricity by the Provincial Electricity Authority by more than 0.017 tons of carbon dioxide equivalent per product production 1 ton or 14.78% compared to the base year 2019.

2) Efficient use of resources

2.1) Electric power management

The company realized the importance of developing and improving various tools in the production process that will help the factory use the limited available energy most cost-effectively and efficiently, and reduce the impact on the environment and surrounding communities, such as energy saving measures or monitoring the performance and maintenance of equipment in the factory such as shredders, boiler and steam capture systems and cooling system, including the installation of solar panels on the roof of the factory, etc.

The company is committed to decreasing energy consumption and reduce the impact on the environment of communities located around the factory and develop operations for sustainable efficiency. It also aims to raise awareness of the environment, energy and climate action, climate change for employees in the organization and encourage all employees to participate in coping with and reducing the impacts that occur both directly and indirectly.

Management Approach

1. Formulation of policy to implement sustainable development goals by emphasizing the management of fuel and electricity emission throughout the supply chain.
2. Development of processes, tools and technology procurement to survey, define and monitor processes that consume fuel and electricity resources. Collection of data and seek opportunities to improve the production process to maximize resources use, including the provision of high-performance and modern technology to increase production rate using fewer resources.
3. Social engagement to publicize climate change issues to all stakeholders through corporate communication channels as well as accept feedback on expectation in order to develop appropriate guidelines.

Performance

In 2022, the Company focuses on fostering awareness in energy savings for all employees and personnel in the organization by adjusting machinery to help reduce the rate of electricity consumption. Another campaign is to turn off the lights when not in use as well as turn off lights and air conditioners during their lunch break for 1 hour every working day, etc. In addition, the proportion of electricity generated from renewable energy from solar rooftops is increased on average by 27 %.



Results of organization electricity consumption calculated from the Provincial Electricity Authority found that the average value is 271.62 kWh used per 1 ton of product (Kw-H / Ton product). Thus, the Company's target for electric energy reduction is 220.00 kWh used per 1 ton of product (Kw-H / Ton product) in 2023.

2.2) Fuel consumption

The Company pays attention to the maintenance of machinery to ensure the efficiency of the machines' fuel combustion system in the production process for cost-effectiveness of energy usage from fuel oil. In 2022, the Company has an average crude oil usage rate of 61.8 liters per ton of production. The Company's goal also include reduction of electricity consumption to 60.5 liters per ton of product production (Liter / Ton product) in 2023.

Resource Management Comparison Table

	2020	2021	2022	Target
1. Electric power management kWh used per 1 ton of product	234.5	249.8	271.6	220.0
2. Fuel consumption (Liter per 1 ton of product production)	64.0	61.6	61.8	60.5

3) Water management

The Company recognizes the importance of the limited water resources and strictly complied with relevant laws and assess water management risk to promote the most efficient use of resources.

Management Approach

1. Compliance with the law

Control of wastewater quality from the production process as specified by law in reference to the standard value of effluent discharged from industrial factories according to the Ministry of Industry Announcement No. 2 (B.E. 2539) issued under the Factory Act B.E. 2535

2. Policy formulation

Implement the Sustainable Development Goals policy by focusing on maximising efficient water resources management in the production process as well as usage in office buildings.

3. Process development, tools and technology procurement



Explore, define and monitor the processes in which water resources are being used to collect data and seek opportunities for maximizing water usage in the production process including the provision of high-performance and modern technology to increase the production rate using less water resources.

4. Contribution to society

Raise awareness and ask for cooperation from both production and office staff in saving water and appreciate the value of water resources, including communicating issues on efficient use of water resources to all groups of stakeholders through corporate communication channels and accept feedback on expectation in order to develop appropriate guidelines.

Performance

3.1) Water consumption in the production process

All factory raw water is sourced entirely from tap water. It is used in all parts of the factory, including office buildings and production buildings with regular care and inspection of equipment to make water usage worthwhile and efficient. The Company has also improved the water supply system in the factory, for example, campaigning for factory employees to use water sparingly, installing intelligent water supply sensors at sinks to reduce waste as well as increase the efficiency of water quality control to reduce the amount of soft water from washing the filter.

In 2022, the Company has an average water consumption rate of 13.38 cubic meters per ton of product production which the company aims to reduce to 11.10 cubic meters per ton of product production in 2023. In addition, survey of conflicts of public water resources system, the Company did not find any problems or concerns from communities surrounding the factory.

	2020	2021	2022	target
Water in production process (cubic meter per 1 ton of production)	12.7	12.6	13.38	11.1

3.2) Wastewater quality

The Company also improved the sedimentation system of the wastewater treatment system to increase sedimentation efficiency that affect effluent cost before releasing it outside the factory. In 2022, the Company did not release any wastewater whose quality exceeds the legal limit. From surveys, the company did not find any problems or concerns from communities surrounding the factory.



4) Waste management

The Company is committed to keeping a clean and hygienic environment in the factory that is conducive to efficient performance of employees by managing and controlling the amount of garbage and waste in the company to be in accordance with the standards of BRC Global Standard and International Food Standard to which the Company is accredited including other related laws and regulations to improve and fix possible problems.

Management approach

1. Compliance with the law

Control the management of unused waste to be removed from the factory area. An annual report is prepared according to the form of the Department of Industrial Works (Sor Kor. 3).

2. Policy formulation

Implement the Sustainable Development Goals policy by giving importance to waste management in the production process and usage in office buildings to minimize and maximize utilization. to reduce waste to landfills.

3. Process Development, Tools and Technology Procurement

Explore, define, and track processes to collect data and seek opportunities to improve the production process and work to reduce the amount of waste to a minimum including the provision of high-performance and modern technology to increase the production rate by using less resources.

4. social engagement

Raise awareness and ask for cooperation from both production and office staff in using office equipment wisely and jointly segregate waste including communicating the issue of proper waste management to all groups of stakeholders through the organization's communication channels and accept feedback on expectation in order to develop appropriate guidelines.

Performance

The Company has hired sub-contractors to take all factory waste for disposal and sort by dividing waste into 5 groups, namely raw material waste, packaging waste, engineering waste, hazardous waste and general waste to be placed in a clearly defined area and clean the area at least once a week.

The Company sets a goal to reduce the amount of waste generated in the organization by planning for the most cost-effective use of resources, such as purchasing raw materials in quantities that fit the proportion required for production to allow the factory to have the least waste of agricultural raw materials. The Company also foresees that the utilization of factory waste is one way to reduce indirect greenhouse gas emissions from waste generation in operations, especially from landfills. Various projects are thus implemented to utilize waste from production processes and offices in accordance with the circular economy concept, such as, to make animal feed, compost to make fertilizer or be a substance to improve soil quality and make mixed fuels, etc.



In 2022, the Company generated 16.94 tons of waste. From the waste utilization project, it was found that waste sent to landfill can be reduced by 5.61 tons, representing 33% of total waste. The company aims to increase the proportion of waste to be recycled to 35% in 2023.

Earth Day Project

The company foresees that waste sorting as well as recycling will help reduce energy consumption and amount of waste, therefore, the Company organizes an Earth Day project to invite employees to help clean and collect waste around the factory together to be sorted and sent for proper disposal including activities to create joint interests together with stakeholders to utilize leftovers for maximum benefit as follows:

1. Lemongrass to fertilizer activity

The company has surveyed the production process and found that unused cut and sorted vegetable waste such as lemongrass and shallot scraps form a large amount of daily agricultural waste. To avoid these waste from going to landfills, the Company cooperated with several organisation that make use of leftovers. One of the organisations is the Agribusiness Development Institute, a group of farmers who jointly established a learning center on the cultivation of chemical-free vegetables, that has a large number of students and there is a demand for organic waste for making samples of organic fertilizers and soil improvement materials for use in teaching and learning and real cultivation.

The Company then started the process of collecting leftovers every day for delivery to to the Agribusiness Development Institute once a week. In summary, the company has donated agricultural waste totaling 2,000 kilograms. This activity helps reduce the cost of procuring raw materials for making organic fertilizer for farmers and the company also reduces the cost of waste disposal services of external organizations.

2. From bottle to PPE suit activity

Due to the nationwide spread of COVID-19, medical personnel and the country's public health institutions have been severely affected, both in the shortage of personnel Including the shortage of medical aids, especially PPE (Personal Protective Equipment) suits that are in great demand.

The Company has therefore joined forces with Phayathai 2 Hospital to donate PET bottles to produce PPE suits for medical personnel. All sectors in the factory and offices were requested to set up a PET bottle donation point to collect used PET bottles and through this joint donation, up to 400 PPE suits was produced for medical personnel in the Phayathai Hospital network.

The Company places importance on sustainable management throughout the organization's value chain in accordance with standards and regulations covering all components of Environmental and Social and Governance (ESG) that respect human rights, transparency, fairness and reducing negative impacts on the environment from upstream to downstream. The principles also cover the selection of partners receiving raw materials and services production with international standards delivery of goods and reception of feedback from customers to deliver the best products.

The Company emphasizes the importance of conducting business with commitment to stakeholders both within the organization as center to promote capacity building in performing duties including supporting new activities that help develop a sustainable good quality of life for the communities surrounding the organization.





3.4 Sustainability Management in the Social Dimension

3.4.1 Social Policy and Guidelines

1) Sustainable Procurement

The company takes into account the acquisition of the highest quality, safe and reliable raw materials because the company is confident in producing food that is palatable and of good quality. Selection of the best raw materials from upstream, quality and traceability are of the utmost importance so that customers and consumers who receive the company's products experience the highest satisfaction and have maintained confidence in the Company for the past 30 years.

Management Approach

1. Formulation of policy and guidelines. The Company has established a supplier code of conduct for business partners, procurement policy, sustainable development goals policy, and self-assessment forms of partners that covers the evaluation and control of the operations of both partners, and employees of the Company to comply with sustainability principles.

2. Development of processes, tools and standards. The Company places importance on the selection of raw materials to deliver standard quality products throughout the production process from upstream to downstream, using standardized raw material inspection tools. The company has been certified with many international production standards, including BRC, IFS Food, GHP, Halal and HACCP and is still committed to continually developing quality products.

Performance

The company has established a Supplier Code of Conduct for business partners in the supply chain and affiliated companies as well as employees that represent the company must strictly follow. The business partners will receive a copy of the Supplier Code of Conduct document, to sign and acknowledged as a condition before working with the company. The company also determines the procurement policy for the Company's purchasing department and those involved to follow. Strict procurement-hiring is also required by specifying procurement-employment methods: competition, procurement from a single supplier, procurement of distributors and tender process which the Company's procurement department must comply with including framework of ethics, rights and responsibilities. This is to ensure awareness of the importance of fair, honest and transparent procurement of goods/services, promoting fair competition among traders so that the right supplier, and quality product / service that meets the standards can be obtained including having the best value for the organization. In this way, compliance with environmental laws and regulations as well as equitable treatment of labor and safety at work can be achieved.

Important trading partners with trade value greater than or equal to 3 million baht per year, with traded goods can be classified into 3 groups: fresh raw materials, dry materials and packaging. The percentage of major trading partners are as follows.

1. Major trading partners of fresh raw materials. Approximately 94 percent of the total fresh raw material orders.
2. Important trading partners in dry raw materials account for approximately 67 percent of the total dry raw materials orders.
3. Major trading partners of the packaging group account for approximately 86 percent of total packaging orders.

The Company has also designed a traceability process for the acquisition of raw materials. Including monitoring the actions of business partners with the company by preparing a traceability test according to the BRC Global Standard for Food Safety (GFSI) and the



Supplier Self-Assessment document covering governance, social and environmental issues. In 2022, 100% of all trading partners of the Company have completed the assessment.

2) International Production

The company continually develop processes and technology in production to respond to the needs of customers from all over the world. Trends, measures and relevant legal requirements are studied to develop production processes in line with relevant international certification standards. In addition, the aim is to ensure that downstream consumers receive the highest quality products and build reputation and confidence in the brand under company production around the world.

Management approach

1. Formulation of policies and guidelines as well as a Code of Conduct for business partners as well as procurement policy, sustainable development goals policy and self-assessment forms of partners that covers the evaluation and control of the operations of both partners and employees of the company to comply with sustainability principles.
2. Development of processes, tools and standards, focusing on the selection of raw materials to deliver standard quality products throughout the production process from upstream to downstream using standardized raw material inspection tools. The company has been certified with many international production standards, including BRC, IFS Food, GHP, Halal and HACCP, and is still committed to continually developing quality products.
3. Use of modern technology by regularly keeping up with technological changes in the food production process including investments in startups to create opportunities to access new technologies and new innovations that can be applied to the company in the future to increase the productivity and efficiency of the company's production.

Performance

1) Maintain international production standards

The Company is aware of the importance of measures that are different in each country. The Company has therefore studied information and followed up on the enforcement of regulations and trade measures of different countries, both from monitoring news and contacting government agencies including the collection of information received from businesses who are the Company's trading partners in various countries. The Company has clearly designated the person responsible for collecting such information and notifying related departments in the company so that there is a process to continuously track information and sufficient enough to improve product quality regularly and to comply with regulatory requirements. Currently, the company has been certified by HACCP (Hazard Analysis Critical Control Point), GHP (Good Hygiene Practices), IFS (International Food Standards), BRC (The British Retail Consortium) and HALAL Certificate, which is a guarantee of the quality, safety and production standards of the Company's products at international levels. In addition, the Company has diversified its risks by building a customer base in many countries in order to reduce the risk from the enforcement of regulations or trade measures in a particular country.

2) Create a food safety culture

In 2022, the company established a food safety culture management working group to set guidelines and strategies for building a comprehensive food safety culture within the organization, designating both short-term and long-term operational plans for all



employees. The committee consists of employees in various sectors, including production department, work system development department, purchasing department, personnel department, and safety department. In order for the working group to be able to create a complete 360-degree food safety culture development process, the working group has established a Core Value for the organization for communication to all personnel in the company. Activities were also designed around this culture of food safety.

3) Customer Relationship Management

Customers are one of the key stakeholders of the Company, and for which the Company always strives to improve and develop its operations in line with the customer's real needs and to create maximum results and benefits for both the company and its customers.

Management Approach

1. Customer Engagement by preparing a customer satisfaction assessment questionnaire covering key issues in product and service quality improvement. The assessment is conducted at least once a year.
2. Improvement of quality and service by applying feedback of customer satisfaction assessments along with their proposals to develop product quality to meet customer needs. Significant suggestions will be implemented to help develop the company's products and services to the highest quality.

Performance

The company has distributed a satisfaction assessment form to all customers. Key issues for assessment are the following topics: Price, Quality, Packaging, Communication, Delivery, and Service. It was found that in 2022, there were the scores on the following issues are:

1. Price - 76.67 percent
2. Product quality - 100.00%
3. Packaging - 96.67%
4. Communication - 83.33%
5. Delivery - 93.33%
6. Service - 93.33%

Results from customer satisfaction surveys including all feedback from customer contact reports will be taken into account for classification to determine management priorities by considering the composition of factors that influence customer satisfaction together with company operation. The aim is to obtain guidelines for the operation of each group, such as giving importance to issues that have a strong influence on customer satisfaction or determining the process to maintain the Company's core competitiveness based on factors that greatly influence customer satisfaction and how the company can manage those satisfactions effectively, etc., for future development of products and services of the company in the future.

4) Respect for human rights

The company is committed to creating a society that promotes and protects rights and liberties as well as treats each other with equality and equality both inside and outside the organization. It does not discriminate against race, gender, age, skin color, religion, and physical condition. The Company will prevent any actions that directly and indirectly violate rights and freedom with zero tolerance for



harassment and violation of human rights throughout the value chain, such as not supporting illegal forced labour or use of child labour and not discriminating and providing space for all employees to demonstrate their talents etc.

Management approach

1. Formulation of policy and guidelines. The Company has established a human rights policy to supervise and manage the impact of the Company's operations to the personnel of the organization and the relevant stakeholders including setting up channels for stakeholders to complain in order to allow further corrections and remedies in the future.
2. The organizational structure is open. Employment is also open and there are no limits on gender, age, race, religious beliefs including physical disabilities o account the suitability of working in various positions and the ability to create growth of the organization.
3. Build Engagement. The Company allows everyone in the organization to showcase their talents without discrimination and limitation. The company has a chairman, and executive members who are female in organizational leadership including the proportion of young employees who form important driving mechanism of the Company.

Performance

1. Human Rights Impact Management

The company is aware of the importance of social responsibility and encourage participation in the community and social development by supporting social assistance activities to improve the quality of life of people in the community. Volunteer work related to development community and society are also continuously encouraged Including instilling awareness of community, social and environmental responsibility among employees at all levels. Executives in the organization will be responsible for overseeing such activities and it is important to pass on information to employees under their chain of command and strictly follow the Company's Code of Conduct. Any employee who violates the principles of corporate governance as specified will receive both disciplinary punishment according to rules and regulations of the Company. If there is an action that is believed to violate the law, the company has opened up channels to receive complaints in the workplace that is both safe and confidential, including electronic channels according to the whistleblowing complaints policy so that stakeholders can conveniently report clues (website <https://www.nrinstant.com/th/corporate-governance/anticorruption/whistleblowing>).

The Company will conduct investigations and send the matter to the authorities for processing without overlooking any complaints. If the employees see any illegal acts, they are able to report complaints or allegations to the Chairman of the Board of Directors, Chairman of the Audit Committee, Chief Executive Officer or Executive Director of the Company immediately. The investigation will be carried out without revealing the name of the whistleblower to protect possible impact that may occur to the complainant. In 2022, the Company did not find any cases of human rights violations.

2. Respect for diversity

In 2022, the company strictly complies with human rights principles from employment to taking care of employees and personnel of the company thoroughly so that all employees and personnel become loyal to the organization and are ready to walk alongside the organization towards sustainable goals. In addition, the company gives importance to human equality and operates fairly without discrimination, as well as giving opportunities to employees to develop their potential regardless of gender or age with openly stated employment details as follows



▪ Number of people employed by gender

Gender	2020	2021	2022
Female	527	538	519
Male	339	341	325
Total	866	879	844

▪ Number of jobs by age group

Age range	2020	2021	2022
under 30 years old	348	360	331
30 - 50 years	485	473	455
more than 50 years	50	50	55
together	866	879	841

5) Personnel quality development

The Company gives full importance to employees and personnel in the organization by encouraging employees to express their full potential with quality and pride in performing their duties in unity. The Company also rewards those employees who work to the best of their abilities by presenting awards to employees on a regular basis, salary increase, thank you feast as well as continually improving the working environment and atmosphere for employees to create a quality and pleasant living space. Another effort is to ensure appropriate and correct evaluation of employees' work.

Management Approach

1. Formulation of practice guidelines. The Company is committed to promoting employee learning by listening to the issues proposed by employees to develop themselves including following appropriate guidelines for career advancement of employees. In addition, the Company also sets guidelines for evaluating the performance of employees by using KPIs that are in line with the mission of the company to deliver appropriate compensation to employees.
2. Build engagement. The Company openly allows employees in each division to express their desire for training including opinions on remuneration to supervisors and the human resources department so that the Company understands the context and real needs of the company.

Performance

The company has provided training to develop skills, knowledge and abilities both at the level of regular employees to the supervisor level. In 2022, there were a total of 621 employees out of 841 employees, representing 74% of employees who received training with details on the number of training hours. and the average training of employees as follows:



Item	Employee Training		
	Number of trainees (people)	Total number of training (hours/year)	average training of employees (hours/person/year)
Daily staff level and above *Training goal is not less than 6 hours/person/year	561	3,096	5.52
Supervisor level and above *Training goal is not less than 12 hours/person/year	106	1,908	46.95
Total	622	5,004	8.05

6) Health and safety in the work environment

The Company is highly aware of the importance of safety, occupational health and working environment that may affect all employees. Therefore, the policy has been established as a guideline for business operations as follows:

- Safety at work is the first duty of every employee.
- All employees must consider their own safety, colleague as well as the assets of the Company as important at all times.
- All employees must pay attention to cleanliness and orderliness in the work area.
- The company will support and promote work safety activities, in order to maximize practical results for all parties
- The company is aware of the importance of measures to prevent accidents arising from work for employees.
- The company will support and promote the improvement of the environment, and how to work safely, including good health for all employees.

Management Approach

1. Formulation of policies and guidelines. The Company establishes a safety policy in the workplace that all employees must be trained in before starting work. Emergency management guidelines are also established by determining the roles and responsibilities of safety officers, supervisors and procedures for incident management in accordance with professional safety guidelines. There are also strict measures to prevent COVID-19 according to the situation and public measures as required.

2. Build engagement. A safety committee in the workplace has been appointed with employees from various departments as members to conduct a regular survey of employees on the issue of well-being at work and jointly consider risk management and issues that may recur in occupational safety and health at work

Performance

1. Accidents



For occupational health operations and operational safety work of the Company, data from any injuries sustained by employees from performing duties during working hours has been collected and identified as indicators of employee injury rates until lost time (Injury Frequency Rate; I.F.R.) including fatalities from work in 2022 as follows:

Item	unit	2563	2564	2565
Number of employees injured work	person	348	360	331
Lost time injury rate	Case per 1,000,000 hours of operation	485	473	455
Occupational fatalities	person	50	50	55

In addition, the company gives importance to all relevant stakeholders who come to work in the company's area. Therefore, data on injuries of contractors/partners sustained during work performance during working hours have been collected and identified as indicators of employee injury rates until lost time (Injury Frequency Rate; I.F.R.) including fatalities from work. In 2022, there was no number of contractors/partners Injury at work or death from work.

1. Occupational Safety Committee

In 2022, the company established an occupational safety committee in accordance with the ministerial regulations, setting standards for administration and management in accordance with Safety, Occupational Health and Working Environment Act 2006, with the authority to consider policies and plans for work safety, report and propose relevant measures, follow-up the results of management of incident and work-related accidents including promote and support safety activities in the workplace.

The Occupational Safety Committee consists of management representatives, professional safety officer and employee representatives (Elected by employees in the company), a total of 13 people, with a 2-year term. In 2023, the committee holds an occupational safety meeting every month, taking into consideration plans, providing recommendations for the annual safety and health management service plan and following up on accidents in the workplace. In addition, risk assessments were also taken into account in the case of an accident with a risk of recurrence and consideration of guidelines for preventing such risks.

2. Management and handling of the outbreak of the coronavirus (COVID-19)

The Company has assessed risks that may occur and cause damage to business operations, and identify ways to deal with such impacts through systematic control and prevention measures of COVID-19, adhering closely to the measures required by the government. The Company has set a strictly precautionary measure to prevent the COVID-19 from spreading. Every day there will be a communication team to raise awareness for all personnel along with advice on care and self-care guidelines. The Company has also cooperated with the Ministry of Public Health to do random sampling checks on employees in the organization to build confidence for the



organization and surrounding society. In regular business operations, the Company announces measures and guidelines to communicate to personnel and related parties as follows:

- The company has a policy for all employees to be 100% vaccinated to reduce the risk of infection and prevent severe symptoms. Any employees who cannot be injected, must have a medical certificate confirming that it affects his/her health.
- Communication between departments must be changed to electronic means instead of manual coordination. If it is necessary to use personal coordination, the supervisor must first be informed to request permission every time.
- A database of employees and those involved in the management of surveillance and prevention of the spread of the epidemic must be established with guidelines for prevention and operation if there is a risk of an epidemic.
- Employees are reminded to protect themselves from COVID-19 at the highest level (Universal Prevention). Screening measures must be provided before entering the working area by measurement of temperature, use of hand spray with alcohol and organize a disinfection tunnel before entering the company's area.
- Regular cleaning of premises and equipment with disinfectant.
- Establish and enforce rigorous screening measures for employees involved in the production process.
- Modify employee lunch time to reduce the density of the number of canteen users.

7) **Engagement with the community and society**

The company places importance on responsibility for the environment of the community and society by promoting reductions of environmental impacts and avoid operations that directly or indirectly have negative impacts on community quality. Work that should be done include restoring the ecosystem and using sustainable farming methods, reducing climate change environmental pollution, dealing with waste problems and the loss of resources and biodiversity that are increasing in intensity every day, dealing with the outbreak of the Coronavirus (COVID-19) that directly and indirectly affects the quality of life of people in society and ensuring food security.

Management Approach

1. Formulation of policies and guidelines. The Company establishes a safety policy in the workplace that all employees must be trained in before starting work. There are also strict measures to prevent COVID-19 according to the situation and public measures as required.
2. Build engagement There is a survey of employees on the issue of well-being at work regularly, including the allocation of appropriate equipment to protect oneself to ensure safety in the workplace. and prevent the spread of COVID-19.

Performance

- Donations for the Coronavirus (COVID-19) Pandemic Situation

As the outbreak of the Coronavirus (COVID-19) which has greatly affected the health and mentality of Thai people are still active, the Company along with employees, suppliers and consumers have arranged many activities to try and deliver good health to people in various communities and to medical personnel. In 2022, the Company visited and donated survival bags to 25 bedridden patients and 20 health check-ups patients at Khae Rai Subdistrict Hospital for morale and encouragement and support in dealing with the spread of the Coronavirus (COVID-19).



After the donation, the company learnt about many problematic issues that people in the communities surrounding the factory are still facing, both in term of the shortage of food, medicine and other necessities. Thus these important issues and the real needs of people in the community have been included to develop further fieldwork in 2023.

8) Prevention of fraud and corruption

The Company places importance on creating a corporate governance process to prevent corruption and misconduct in all areas. The Company does not accept and support any misconduct and corruption regardless of position of the person and any type of action in order to maintain the confidence of shareholders, investors and various stakeholders that have been accumulated for 30 years. All personnel including the Board of Directors, executives and employees at various levels will join hands together to become a part of the driving force for a society without corruption and sustainable growth.

Management Approach

1. Formulation of policies and guidelines. The Company establishes anti-corruption policy for corporate governance and for stakeholders involved in corruption prevention. A policy to receive complaints of wrongdoers is also specified to create a channel for all stakeholders to report clues to the Company so that wrongdoers can be properly handled and punished as well as remedy can be provided to those affected by the offence.

2. Build engagement By becoming a part of the certified organization under the Private Sector Collective Action against Corruption (CAC), the Company has developed policies in line with the CAC including letting employees in the company participate in anti-corruption training from CAC.

Performance

In 2022, the Company has developed an anti-corruption policy in line with CAC standards, including inviting Khun Pana Ratanabanangkul, director of CAC, to provide training to the employees of the Company, with Mr. Thiraphong Lorachawee, Chief Operating Officer, Chief Operating Officer (COO), a representative of NR Instant Company Limited. Produce Public Company Limited presided over the opening ceremony. Lecture for executives and employees under the topic "Roles of Executives and Employees in Anti-corruption" which received excellent feedback from employees. In addition, the Company has passed certification from the "Thai Private Sector Collective Action Against Corruption" for the year 2022 on December 30, 2022, where the company will continue to strive to develop good corporate governance processes. and continuously support anti-corruption in Thai society.

- **Food For Future Generation**

Global food security today are under increasing pressure due to many factors, for example, the population is growing rapidly with increasing trends, changes in food consumption behavior, the Coronavirus (COVID-19) epidemic situation, including climate change. All of the above form important problems that need to be solved. The Company gives great importance to food, therefore, the project "Food For Future Generation" was created. Due to the outbreak of the COVID-19, highly vulnerable groups and their families were unable to find occupation and earning income to support themselves, so this project the intention of helping make these people full, delicious and happy, taking into account the needs of the community as its location. The Circular economy principle is also applied in the business processes to drive the project continuously since 2021.



In 2022, the Company developed management processes. There is a stock management team that takes care of managing the amount that can be selected for donation and expiration date so that the people receiving the donation will benefit the most. There is also a rigorous quality screening, to prevent the leakage of non-quality products before delivery. The team then coordinated with the Scholars of Sustainable Foundation, a long-standing partner network in the area to deliver products to vulnerable groups on site. These food are by donated to the underprivileged and vulnerable groups including forest guards in parks across the country/

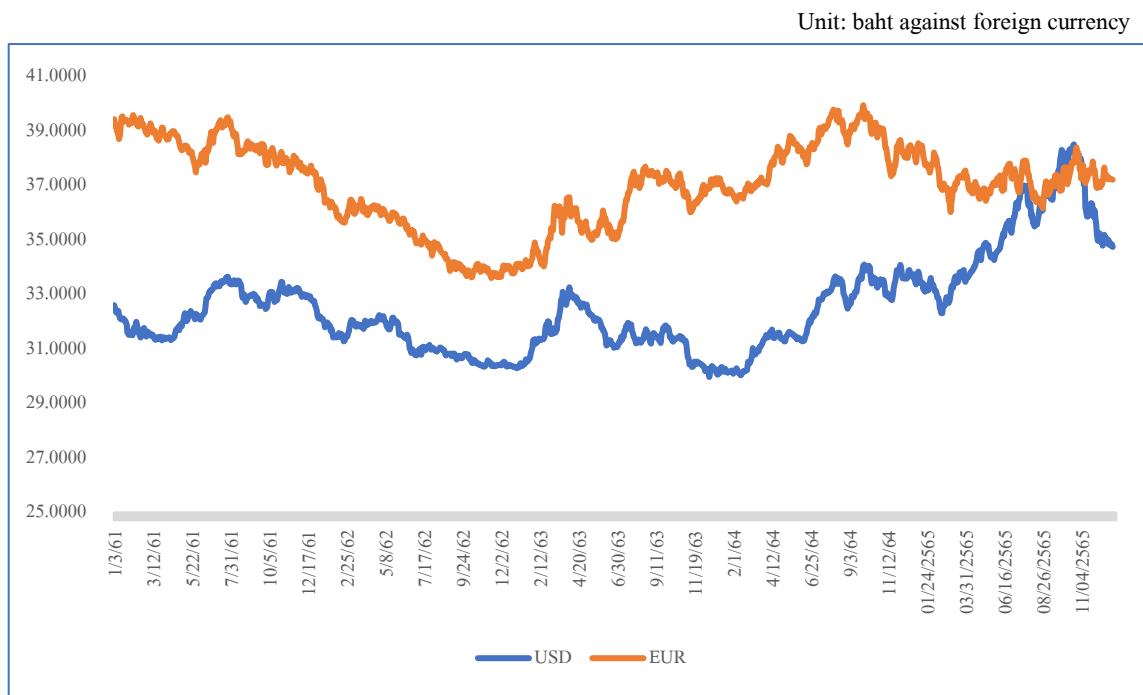


4. Management Discussion and Analysis

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 3 categories: (1) Ethnic/Specialty Food, which consists of contract manufacturing and product businesses under the Company's brand and pet food products; (2) E-Commerce and direct sales to consumers; and (3) Climate Action products; The Company distributes such products to many continents including Americas, Europe, Asia, Australia, and Africa. Subsequently, approximately 75 % of the Company's revenue is in foreign currency. The baht exchange rate per US dollar from 1st January 2018 to 31st December 2022, is shown in the graph below:



Source: Exchange Rate 2018 – 2022, Bank of Thailand

For the year 2022, the COVID-19 outbreak has eased but the Russian-Ukraine war had driven energy costs up, causing inflation and higher interests. Product stocks overseas were still high so sales revenue from Ethnic Foods in 2022 slowed and income from E-commerce decrease due to shrinking Amazon.com markets. The Company's sales revenue in US Dollars fell 5.8% compared to last year. However, domestic sales revenue increased by 23% due to increased revenue from the pet food business and Omni-channel sales.

Sales Revenue	2020 (M)	2021 (M)	Growth Rate (%)	2022 (M)	Growth Rate (%)
1) US Dollars	33.1	42.8	+28.0%	40.3	-5.8%



Sales Revenue	2020 (M)	2021 (M)	Growth Rate (%)	2022 (M)	Growth Rate (%)
2) Euros	0.4	0.9	+1.25%	0.6	-33.3%
3) Singapore Dollars	-	0.04	n/a	0.002	-50%
4) Thai Baht	362.6	704.2	+94.2%	866.1	+23.0%
Total Baht	1,408.3	2,100.0	+26.8%	2,294.4	+9.3%
Average Book Exchange Rate (USD)	31.15	31.82	+2.1%	34.85	+9.5%
Average Book Exchange Rate (EUR)	36.04	37.38	+3.7%	36.69	-1.8%
Average Book Exchange Rate (SGD)	-	23.42	n/a	25.05	+6.9%

Product Type	Year 2020		Year 2020		Year 2021	
	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)
Sales Revenue	1,408.3	97.5%	2,100.0	90.6%	2,294.4	87.6%
1) Overseas	1,209.0	83.7%	1,764.5	76.1%	1,727.3	65.9%
1.1 North America	488.0	33.8%	991.6	42.8 %	976.2	37.3%
1.2 Europe	432.5	30.0%	489.7	21.1%	459.6	17.5%
1.3 Asia	187.1	12.9%	160.8	6.9%	176.7	6.7%
1.4 Others	101.4	7.0%	122.4	5.3%	114.9	4.4%
2) Domestic¹	199.3	13.8%	335.5	14.5%	567.1	21.7%
Foreign Exchange Profit	0.4	0.0%	9.8	0.4%	-	
Other Income ²	35.5	2.5%	208.4	9.0%	325.3	12.4%
Total Income	1,444.2	100%	2,318.2	100%	2,619.7	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.



Total Revenue

For the year ended 31st 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 increase in Thai and ethnic food order in all products and in every region excluding Asia including the recognition of revenue from City Food and the E-commerce business group, amounting to 384.1 million baht or 18% of operating income.

For the year ended 31 December 2022, the company had total sales revenue of 2,294.4 million baht, an increase of 194.4 million baht or an increase of 9.3% compared to the year 2021. Although the situation of the outbreak of COVID-19 has subsided, but the crisis of the Russia-Ukraine war causing higher energy costs causing inflation and higher interest rates, together with the high level of product inventory, Ethnic Foods' sales revenue in 2022 will slow down and E-Commerce revenue will also decline due to the shrinking Amazon.com market. Revenue from sales in North America decreased from 991.6 million baht in 2021 to 976.2 million baht in 2022 or a decrease of 9.7%. Europe and Asia sales revenue also decreased. However, domestic sales increased from 335.5 million baht in 2021 to 567.1 million baht in 2022 or an increase of 69.0% due to the year 2022 seeing more revenue from the pet food business and direct sales business (Omni Channel). Other income in 2022 increased by 56.1% compared to 2021, consisting of service income of 121.7 million baht, an increase of 46.5 million baht compared to 2021, and gains from the sale of investments and change of investment status of 203.5 million baht, an increase of 70.5 million baht compared to 2021. Therefore, the total revenue for the year 2022 amounted to 2,619.7 million baht, an increase of 11.3% from 2021

Gross Profit

For the year ended 31 December 2021, the company had a gross profit of 816.5 million baht, representing a gross profit margin of 38.9%, an increase from the gross profit margin at the end of 2020, mainly due to an increase in sales volume, the depreciation of the baht and increased operating income from the recognition of revenue from the e-commerce business that continues to grow steadily. In 2021, the company acquired all 3 product groups, namely Prime Labs, SOL Trading, and WellPath, as well as expanding the E-commerce business in the country through investment in Indeem Group Co., Ltd.

For the year ended 31 December 2022, the company had a gross profit of 1,012.6 million baht, representing a gross profit margin of 44.1%, an increase of 196.1 million baht or an increase of 24.0% from 2021. The gross profit margin in 2022 was 44.1%, higher than the gross profit margin in 2021 at 38.9% due to the depreciation of the baht from 31.82 baht/US dollar in 2021 to 34.85 baht/US dollar in 2022 and a high gross margin in the direct sales business.



Selling and Administrative expenses

In 2021, most expenses comprise increases in selling corresponding to increased sales - from expenses related to sales staff in accordance with future expansion plans, to expenses from City Food Company Limited (the Company invested 100% in City Food Company Limited on November 30, 2020) and selling and administrative expenses from the E-commerce business group, including an increase in salary expenses from expanding the number of personnel and expenses related to investment. The ratio of selling and administrative expenses to total revenue increased from 17.8% in 2020 to 27.3% in 2021.

For the fiscal year ended 31 December 2021 and 2022, the company had selling and administrative expenses equal to 632.2 million baht and 878.4 million baht, respectively, an increase of 38.9%, mainly from increased selling expenses. This was in line with the increase in sales of the E-commerce direct-to-consumer distribution business and the increase in administrative expenses. Since the pet food factory has started production, there has been a significant increase in administrative expenses and increased staffing costs from the expansion of the number of personnel. The ratio of selling and administrative expenses to total revenue increased from 28.9% in 2021 to 36.4% in 2022.

Net Profit

For the fiscal year ended 31 December 2021, the company had a net profit of 221.4 million baht, respectively. Representing a net profit margin of 9.6%, an increase of 97.1 million baht compared to 2020 due to the recognition of increased operating performance of the E-commerce business, which is a high-margin business group, recognized gain from sale of investment and the depreciation of the baht

For the fiscal year ended 31 December 2022, the Company had a net profit of 267.6 million baht, representing a net profit margin of 11.1%, an increase of 46.2 million baht or 20.9% due to higher gross profit margins, realization of profit from disposal of investment and increased service income and the depreciation of the baht, although selling and administrative expenses, share of loss from associates and interest expenses increased from the year 2021.

Earnings before Interest, Taxes, Depreciation and Amortization

However, if considering earnings before interest, tax, depreciation and amortization (EBITDA) for the fiscal years ended 31 December 2021 and 2022, the Company's earnings before interest, tax, depreciation and amortization were 513.6 million baht and 590.1 million baht. respectively

Performance and profitability

Income from product sales

Revenue from sales of products can be divided into 3 categories as follows: 1) Ethnic/Specialty Food 2) E-commerce and direct sale and 3) Climate Action products. The details are as shown in the table below:



Product Type	Year 2020		Year 2021		Year 2022	
	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)
Sales Revenue	1,408.3	97.5%	2,100.0	90.6%	2,294.4	87.6%
1) Ethnic/Specialty Food	1,251.5	86.7%	1,411.2	60.9%	1,521.2	58.1%
2) Direct to Consumer sales	109.3	7.6%	386.1	16.7%	547.1	20.9%
3. Climate Action products	47.5	3.3%	302.7	13.1%	225.8	8.6%
Foreign Exchange Profit	0.4%	0.0%	9.8	0.4%	-	-
Other Income ^{/1}	35.5	2.5%	208.4	9.0%	325.3	12.4%
Total Income After Profit (Loss) from the Exchange Rate	1,444.2	100%	2,318.2	100.0%	2,619.7	100.0%
Exchange Rate (Baht per US Dollar)	31.74		31.82		34.85	

Remarks ^{/1} Other incomes are: Other service income, compensation tax card income from exports, revenue from services, profit from the disposal of investment, and gains from changes in the fair value of financial assets, etc.

The Company's sales revenue is Ethnic/Specialty food accounted for 66.3% of sales revenue in 2022, consisting of revenue from the sale of contract manufacturing products which accounted for 47.2% of sales revenue in 2022. Revenue from sales under the company's brands accounted for 19.1% of sales revenue in 2022, sales revenue from Direct to Consumer sales accounted for 23.9% of sales revenue in 2022 and from Climate Action products sales accounted for 9.8% of sales revenue in 2022.

Sales revenue in 2022 increased by 194.4 million baht, mainly due to the depreciation of the baht, although the crisis of the Russia-Ukraine war drove energy costs higher causing inflation and higher interest rates, together with the high level of product stock. The sales revenue of Ethnic Foods in 2022 slowed down and the revenue from E-Commerce also decreased due to the shrinking Amazon.com market, but the Company recognized sales revenue of the pet food company (Botany Petcare Co., Ltd.), and revenue from the direct sales business (Indeem Group Co., Ltd.) for the full year in 2022.

For the year ended 31 December 2021, the overall operating income increased from the previous year to the amount of 691.7 million baht or 49.1 percent. Ethnic/Specialty Food saw more revenue from increased orders from customers in all product categories and in all regions except Asiam including revenue recognition from City Food and revenue recognition from the pet food business (the company invested in Botany Petcare Co., Ltd. in September of 2021). The company recognized revenue from the Climate Action category from the sale of V-shape spare parts and Direct to Consumer category, which is income under Prime Labs, SOL Trading and WellPath brands and income from Indeem Group Co., Ltd. (Plant-based) though revenue from the plant-based products decreased in the group of ready-to-eat konjac noodles.



Other income

The Company's other income consists of other service income, income from tax offset cards from exports, income from gains from sale of investments and gains from changes in the fair value of financial assets. In 2022, the Company's other income increased from 2021 to the amount of 116.9 million baht due to service income. This was largely due to income from Plant and Bean Ltd in lending to finance operations other than interest income, an increase of 46.5 million baht compared to 2021 and gains from the sale of investments of Golden Triangle Company Ltd. and part of Boosted E-commerce, an increase of 35.9 million baht and changing investment status, an increase of 34.4 million baht compared to 2021.

In 2021, other income of the company increased from gains from foreign exchange rates, gain on change in fair value of financial assets, realized profit from partial sale of investment in Golden Triangle Co., Ltd. (GTH) and profit from sale of the soybean milk business.

Cost of Sales

The cost of sales in 2022 amounted to 1281.8 million baht, a decrease of 0.1% compared to 2021, compared to the increase in revenue in 2022, mainly due to a decrease in the cost of pet food production sale because of own production at the end of the 4th quarter of 2022 and the cost of sales from the direct sales business decreased while sales revenue increased from 2021

In 2021, the company has a cost of sales equal to 1,283.5 million baht, consisting of the cost of sales of the Ethnic/Specialty Food business group 96%; cost of sales and Ecommerce business group (Direct to customer) 4%; cost of sales. For the structure of costs of Ethnic/Specialty Food comprises about 75% of the cost of raw materials and packaging, about 14% of labor costs, and about 11% of the total cost of overhead and others.

Selling Expenses

Total selling expenses in 2022 increased by 126.4 million baht or 48.4%, mainly due to the increase in commissions in the direct selling business, promotional fee of E-commerce and direct sales, and selling expenses of pet food (Botany Petcare Co., Ltd.). For the year 2021, the Company had selling expenses of 261.2 million baht, an increase of 195.1 million baht from 2020, mainly from expenses related to e-commerce business and marketing and promotion expenses.

Administrative expenses

Total administrative expenses in 2022 increased from 371.0 million baht in 2021 to 490.8 million baht in 2022, or an increase of 119.8 million baht, representing 32.3% due to an increase in staff costs with an additional number of employees, expenses of the E-commerce and pet food business group (Botany Petcare Co., Ltd.) and depreciation and amortization.

For the year 2021, the Company has an increase in administrative expenses from the increase in salary expenses from the expansion of the number of personnel. and investment-related expenses such as fees and advisory fees for additional new investments, service fees related to Ecommerce business, etc.

Financial Cost

For the year 2022, the Company issued debentures in the amount of 1,300 million baht with an interest rate of 6.75% per annum in October 2022. Therefore, the financial expenses in 2022 increased by 31.8 million baht from 2021.



In 2021, the company has higher financial costs since the company has issued debentures for future investment and working capital of the company.

Share of Loss from Investments in Associated Companies

In 2022, the Company recognized share of losses from investments in associates Plant & Bean Ltd. (“P&B”) and Golden Triangle Health Company Limited (“GTH”), increasing from 52.6 million baht in 2021 to 63.4 million baht in 2022, or an increase of 10.8 million baht, representing a 20.5% proportion due to rising raw material prices and P&B cannot increase the selling price in 2022, but will be able to increase the selling price in 2023.

In 2021, the Company's share of loss from investment in associate Plant & Bean Ltd. (“P&B”) increased from 15.4 million baht in 2020 to 48.5 million baht in 2021. However, P&B's new plant was BRC received approval in September 2021. In addition, in 2021, the company recognized a share of loss from investment in Golden Triangle Health Co., Ltd. (“GTH”) in the amount of 4.1 million baht.

Share of loss from investments in joint ventures

In 2022, the company recognized share of losses from investments in joint ventures that increased from 0.78 million baht to 9.3 million baht in 2022 due to the opening of Nutra Generation Company. Ltd. in 2022.

Financial Income

Financial income in 2022 increased from 7.9 million baht in 2021 to 35.2 million baht, mainly due to recognition of interest income from associates.

Net Profit

As mentioned above, the company had a net profit in 2022 of 267.6 million baht, an increase of 46.1 million baht compared to 2021 due to an increase in gross profit from sales, other income and financial income, although selling and administrative expenses share of losses and financial costs also increased as well.

In 2021, the company's net profit was 221.4 million baht, an increase of 97.1 million baht from the previous year even though the company recognized increased share of losses from Plant And Bean Ltd. and the increase in finance costs. However, the Company also recognized profit from sales of investment in joint venture, gains from changes in the fair value of financial assets and the depreciation of the baht.

Asset Overview

Total assets of the Company is at 5,965.4 million baht as of 31 December 2022. The main assets of the company are intangible assets. (customer relationship, trade name), trade accounts receivable, property, plant and equipment and cash or cash equivalents as of 31 December 2022. Such core assets accounted for 30.8%, 14.8%, 12.6% and 7.3% of total assets, respectively. Total current assets in the amount of 2,104.9 million baht, accounting for 35.3 percent of total assets. and non-current assets totaling 3,860.5 million baht, accounting for 64.7 percent of total assets. Total assets in 2022 increased from 2021 in the amount of 1,303.2 million baht from the increase in cash. Most of the other receivables were receivables from the sale of investments. Investments in joint ventures and property, plant and equipment.



As of 31 December 2021, the company has total assets of 4,662.3 million baht, respectively, an increase of 1,303.9 million baht compared to 2020 due to the Company granted loans to Plant And Bean Ltd. in the amount of 257.7 million baht for factory expansion and working capital, investment in plant-based protein alternatives in Wicked Foods Inc., Konscious Foods Inc. and investments in Big Idea Ventures, New Protein Fund I and Unovis NCAP Fund II, and acquisition of BOOSTED Corp. under the business. E-commerce category.

Trade and other receivables

The Company has trade and other receivables in 2022 in the amount of 883.8 million baht, consisting of trade receivables of 315.6 million baht, a slight decrease from 2021, and other receivables in the amount of 568.2 8 million baht, an increase of 387.6 million baht from 2021, most of which are receivables from sale of investment and accrued interest.

The Company has trade and other receivables for the end of the fiscal year 2021 of 498.3 million baht, an increase of 75% due to the Company including trade and other receivables of subsidiaries invested in 2021.

Inventories

The company has inventories for the end of fiscal year 2021 and 2022 equal to 196.9 million baht and 222.1 million baht, respectively. Details of inventories are as follows.

list	December 31, 2020		31 December 2021		December 31, 2022	
	Amount (million baht)	Proportion (%)	Amount (million baht)	Proportion (%)	Amount (million baht)	Proportion (%)
Inventories						
1) Finished goods	52.7	29%	75.6	38%	65.3	29%
2) Semi-finished products	28.8	15%	35.6	18%	34.0	15%
3) Raw materials	27.9	15%	28.0	14%	56.9	26%
4) Packaging and factory materials	59.1	31%	57.7	29%	61.6	28%
5) Goods in transit	19.5	10%	-	-	4.3	2%
Total inventories	188.1	100%	196.9	100%	222.1	100%



Other current financial assets

In 2022, the Company invested in bills received from

(Unit: Million Baht)

	Consolidated financial statements / Separate financial statements	
	2022	2021
<u>Debt securities measured at amortized cost</u>		
The company's promissory notes are in market demand.	350.0	-
Less: Interest received in advance	(4.5)	-
Total debt securities measured at amortized cost	345.5	-
<u>Financial assets measured at fair value through profit or loss</u>		
Derivative assets	1.0	-
Total financial assets measured at fair value through profit or loss	1.0	-
Total other current financial assets	346.4	-

Other current assets

The Company has other current assets for the end of the fiscal year 2021 and 2022 equal to 10.3 million baht, 19.2 million baht and 14.4 million baht respectively, mostly consisting of input tax refunded.

Other non-current financial assets



In 2022, the Company had other non-current financial assets of 419.2 million baht, consisting of investments in Big Idea Ventures, New Protein Fund I and Unovis NCAP Fund II, Wicked Foods Inc., Konscious Foods Inc., Golden Triangle Health Co., Ltd. and Nove Eats Co., Ltd.

For the year 2021, the Company has other non-current financial assets of 287.7 million baht. The company invests in the plant-based alternative protein business in Wicked Foods Inc., Konscious Foods Inc., and invests in Big Idea Ventures, New Protein Fund I and Unovis. NCAP Fund II. In addition, the Company has financial assets that are measured at fair value through profit or loss from the sale of some investments of the company, such as GTH, equity securities of Boosted Ecommerce, Inc., etc.

Long-term loans to other parties

In 2022, the Company gave Ekold Co., Ltd. a loan of 33.0 million baht to invest in the purchase of 140 Bitcoin mining machines.

Long-term loans to associated companies, net of portion due within one year

In 2022, long-term loans to an associated company, Plant and Bean Ltd., with net of the portion due within one year. Plant and Bean plans to repay the loans within one year.

Investments in Associated Companies

In 2022, investments in associated companies decreased from 2021 in the amount of 152.2 million baht because the company sold investments in Golden Triangle Health Co., Ltd. and recognized share of losses from Plant and Bean Ltd.

For the year 2021, the company has investments in associated companies of 241.8 million baht, an increase of 54.4 million baht because the company has invested in Plant and Bean since 2020 and GTH in 2021.

Net Property, buildings and equipment

The Company has land, buildings and equipment net of depreciation for the year 2021 and 2022 were 587.2 million baht and 751.0 million baht, respectively, an increase of 163.8 million baht due to the recognition of buildings and machinery for pet food processing plants (Botany Petcare Co., Ltd.) net of depreciation with the following details:

Item	December 31, 2020		31 December 2021		December 31, 2022	
	Amount (million baht)	Proportion (%)	Amount (million baht)	Proportion (%)	Amount (million baht)	Proportion (%)
Property, plant and equipment						
1) Land	183.5	31.6%	183.5	31.3%	184.7	24.6%



2) Building	262.3	45.1%	250.0	42.6%	347.2	46.2%
3) Machinery and equipment	165.2	12.7%	124.0	21.1%	196.3	26.1%
4) Office supplies	12.8	1.6%	11.2	1.9%	18.8	2.5%
5) Vehicles	1.4	0.4%	1.2	0.2%	1.5	0.2%
6) Assets under installation and construction	1.0	8.6%	17.3	2.9%	2.5	0.3%
Total property, plant and equipment, net	626.1	100%	587.2	100%	751.0	100%

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

Investments in Joint Ventures

In 2022, investments in joint ventures increased from 2021 in the amount of 103.2 million baht due to Nutra Regenerative Protein Co., Ltd. calling for capital increase to invest in Plant and Bean (Thailand) Co., Ltd. to build a plant-based protein food factory.

Goodwill

The Company has goodwill for the year 2021 and 2022 with the same value of 245.0 million baht and 249.7 million baht, respectively, an increase of 4.7 million baht due to the investment in Botany Petcare Co., Ltd. in 2022. For the year 2021, the company goodwill was 245.0 million baht, an increase of 3.3 million baht from the investment in City Food Co., Ltd.

Intangible assets

The Company has intangible assets for the end of fiscal year 2021 and 2022 equal to 1,878.5 million baht and 1,835.2 million baht, respectively, consisting of customer relationships, mostly trademarks and computer software. The intangible assets will gradually be amortized according to their useful lives approximately 56.5 million baht per year. The Company expects that the customer relationship will last for 25 years and computer software will last for 5 and 15 years.

Other non-current assets

As of December 31, 2022, the Company had other non-current assets in the amount of 8.0 million baht, an increase of 2.4 million baht from 2021, mainly from guarantees for the construction of improvements in pet food factory buildings and other deposits.



Overview of Liabilities

The Company has total liabilities for the end of the fiscal year 31 December 2021 and 2022 equal to 1,809.1 million baht and 2,966.9 million baht respectively. For the year 2022, the main liabilities of the Company are debentures of 2,000.0 million baht and loans from financial institutions in the amount of 154.0 million baht. The company has total current liabilities of 1,228.2 million, consisting of debentures in the amount of 700.0 million baht due in July 2023 and total non-current liabilities of 1,738.7 million baht.

For the year 2021, the main liabilities of the company are long-term debentures. However, in 2020, the company has paid all long-term loans to this financial institution. Which has the purpose of borrowing for acquisition in 2017 for working capital in the amount of 1,193.3 million baht and to invest in 25% of P&B shares in the amount of 180 million baht and is paid using the money from IPO.

Short-term loans from financial institutions

In 2022, the Company had short-term loans from financial institutions amounting to 154.0 million baht, an increase of 14.0 million baht from 2021.

In 2021, the Company had short-term loans from financial institutions of 140.0 million baht, a decrease of 3.5 million baht from the end of 2020 due to short-term loan payments from financial institutions.

Trade and other payables

The Company had trade and other payables in 2022 in the amount of 217.6 million baht, a decrease from 2021 in the amount of 97.0 million baht, mainly from the repayment of other payables from the purchase of intangible assets from BOOSTED Corp.

In 2021, the Company had an increase in trade and other payables of 112.5 million baht due to the portion due within one year of loans for the purchase of intangible assets from BOOSTED Corp. and Indeem Group Co., Ltd.

Income tax payable

In 2021 and 2022, the Company had income tax payable equal to 63.4 million baht and 24.8 million baht, respectively.

Other current liabilities

The company has other current liabilities for the year 2021 and 2022 equal to 9.0 million baht and 17.9 million baht, respectively, an increase of 8.9 million baht, mainly from sales tax pending collection on revenue from services and VAT payable of subsidiaries.

Long-term loans - net of portion due within one year

In 2022, long-term loans from financial institutions amounted to 132.5 million baht, a decrease of 90.1 million baht from 2021 due to loan repayments. For 2021, the Company had long-term loans from financial institution amounting to 222.3 million baht as the Company has agreed to enter into a long-term loan agreement for investment of the company.

Long-term debentures



In 2022, the Company issued debentures in the amount of 1,300.0 million baht with the objective of investing in building a sauce factory and investing in the E-Commerce business group and working capital of the company.

For the year 2021, the Company has issued debentures in the amount of 700.0 million baht, intended for future investment in the E-commerce business group and working capital of the Company.

Deferred tax liabilities

In 2022, the company had deferred tax liabilities of 288.9 million baht and 2021 of 300.0 million baht. The deferred tax liabilities of the company mainly consisted of customer relations, trade name and capital surplus from asset appraisal.

Equity

The company has shareholders' equity for the end of the fiscal year 31 December 2021 and 31 December 2022 equal to 2,853.1 million baht and 2,998.5 million baht, respectively, an increase of 145.4 million baht from the net profit of the year 2022 in the amount of 267.6 million baht, and dividend payment in the amount of 58.1 million baht. Other comprehensive loss amounted to 69.9 million baht (comprising loss on fair value measurement of investments and differences on translation of financial statements and share of loss from investments) and gains from the sale of investments of 5.8 million baht.

Cash Flow Analysis

Management of liquidity and working capital in the business of the company is important for business operations to support management in normal business operations and for use as working capital for the Company's loan repayment and to pay for various expenses. In the past, the Company's ability to manage liquidity with the cash flow received from the company's operations including loans from financial institutions and the issuance of debentures for investment for the end of fiscal year 31 December 2020, 2021 and 2022, the company's cash flow statement can be summarized as follows:

Cash flow statement (Unit: Million Baht)	(audit budget) for the year ended December 31	(audit budget) for the year ended December 31	(audit budget) for the year ended December 31
	2020	2021	2022
Net cash from (used in) operating activities	118.5	154.3	53.1
Net cash from (used in) investing activities	(468.8)	(975.1)	(1,164.0)
Net cash from (used in) financing activities	432.4	868.0	1,260.7



Increase in currency translation differences	-	37.9	(21.3)
Unrealized gain (loss) on exchange rates for cash and cash equivalents	0.0	(0.0)	(0.3)
Net increase (decrease) in cash and equivalents	82.1	85.1	128.2
Beginning cash and cash equivalents	142.3	224.4	309.5
Cash and cash equivalents at the end of the period	224.4	309.5	437.7

Cash flow from operating activities

For the fiscal years ended December 31, 2021 and 2022, the company has net cash flow from (used in) operating activities of 154.3 million baht and 53.1 million baht, respectively. Operating assets and liabilities were 479.7 million baht, mainly from profit before tax, depreciation and amortization interest expenses, profit and loss from sale of investment, share of profit and loss from investment, unrealized foreign exchange, gains and losses, gains and losses on fair value measurement of derivatives and equity instruments, and gains and losses from changes in the value of equity securities determined to be measured at fair value through profit and loss. However, the Company had cash from operating activities of 53.1 million baht, mainly due to a decrease in trade and other payables of 105.0 million baht, interest payment of 95.4 million baht and income tax payment of 101.2 million baht.

Cash flows from investing activities

For the fiscal years ended 31 December 2021 and 2022, the Company's cash flow used in investing activities was 975.1 million baht and 1,164.0 million baht. In 2022, the Company's loans comprised: 161.6 million baht to associated companies; loan 33.4 million baht loan to other companies (formerly a subsidiary); 350.0 million baht investment in promissory notes; 50.5 million baht investment Funds; 163.3 million baht in Frontline Bioenergy, LLC; 4.4 million baht in Big Idea Venture GP investment I LLC; 4.3 million baht investment in New Protein Fund I LP; 112.5 million baht investment in a joint venture; cash payment for purchase of equipment and machinery and buildings in the amount of 276.4 million baht, most of which is investment in pet food production plants. Cash received from the sale of investments of 32.4 million baht, interest income of 6.0 million baht, and cash received from the sale of equipment of 2.2 million baht.

Cash flows from financing activities

For the fiscal year ended 31 December 2021 and 2022, the company has cash flow from financing activities (used) equal to 868.0 million baht and 1,260.7 million baht, respectively. For 2022, the Company finance activities comprise: short-term borrowings from financial institutions 14.0 million baht; cash received from issuing debentures 1,300.0 million baht; cash received from long-term borrowings from financial institutions 50.0 million baht; long-term loan repayments 66.9 million baht; leasing payments of 5.1 million baht and cash received from non-controlling interests of subsidiaries to the amount of 4.9 million baht.

Financial ratio analysis



Liquidity ratio

For the fiscal year ended 31 December 2020, 2021 and 2022, the Company had liquidity ratios of 1.6 times, 2.3 times and 1.7 times respectively.

For the fiscal year ended 31 December 2020, 2021 and 2022, the company has a cash cycle of 66.0 days, 62.7 days and 70.5 days, respectively. Debt repayment was faster from 42.2 days in 2021 to 38.2 days in 2022. The storage period for sales of goods increased from 54.7 days in 2021 to 58.8 days in 2022, despite the decrease in the average collection period from 50.2 days to 49.9 days due to a more systematic debt collection management. In 2021, the Company has less liquidity than the end of 2020 because the Company's average debt collection period decreased from 57.9 days to 50.2 days due to a more systematic debt collection management and the average trade repayment period decreased from 43.2 days to 42.2 days due to more fresh raw materials and faster production cycles, therefore, the Company has to pay for raw materials faster. However, the company has a longer sales period from 51.3 days in 2020 to 54.7 days in 2021 due to global logistics problems which makes the company affected by the shortage of shipping containers and cargo ships. Therefore, the delivery of goods has been postponed which increased inventories at the end of 2021.

Profitability ratio

The Company's gross profit margin for the fiscal year ended 31 December 2020, 2021 and 2022 was 30.8%, 38.9% and 44.1% respectively. For the year ended 31 December 2022, the gross profit margin is higher due to the increase in selling prices of Ethnic products and the depreciation of the Thai baht. The pet food business recognized this year had a higher gross margin than 2021 due to its own production in the subsidiary's factory and the direct sales business with better gross margins.

The company has earnings before interest, taxes, depreciation and amortization as a percentage of total revenues (EBITDA Margin) for the fiscal year ended 31 December 2020, 2021 and 2022 equal to 19.9%, 22.2% and 21.2% respectively. As of 31 December 2022, the company's EBITDA Margin decreased from 2021 because in 2022 other income per total income increased from year 2021 from 9.0% to 12.4% in 2022, therefore, the profit before interest, taxes, depreciation and amortization as a percentage of total revenues decreased, although EBITDA in 2022 was higher than in 2021. For the year ended as of 31 December 2021, the company's EBITDA Margin increased by 2.3% from the end of 2020 due to the recognition of gains from the sale of investments in associates, gains on changes in the value of financial assets designated to be measured at fair value through profit or loss and better performance, despite the recognition of increased share of losses from Plant And Bean Ltd.

The Company's net profit margin for the fiscal year ended 31 December 2020, 2021 and 2022 was 8.6%, 9.6% and 10.2% respectively. For the year 2022, as the Company has increased basic income from sales, other income increase and increased financial income even though selling and administrative expenses increased, share of losses increased and financial cost increased. In 2021, the company's net profit margin improved by 1.0 percent from the end of 2020, mainly due to the depreciation of the baht, better performance and realized gains from the sale of investments in associated companies, including gains on changes in the value of financial assets designated to be measured at fair value through profit or loss. This was despite the recognition of increased share of losses from Plant And Bean Ltd. and higher financing costs.

Financial ratios according to loan conditions from Financial Institutions No. 1



Financial Ratios under Loan Conditions		Loan terms	Ended 31 December 2020	Ended 31 December 2021	Ended 31 December 2022
Debt to Equity Ratio	time	$\leq 1.5x$	0.3	0.6	1.0
DSCR	time	$\geq 1.2x$	1.2	2.4	2.0



Financial ratios according to loan conditions from Financial Institutions 2

Financial Ratios under Loan Conditions		Loan terms	Ended 31 December 2020	Ended 31 December 2021	Ended 31 December 2022
Net Debt/EBITDA	Time	$\leq 2.5x$	n.a	1.5	3.5
DSCR	Time	$\geq 1.5x$	1.2	2.4	0.5

Financial ratios according to loan conditions from Financial Institutions 3

Financial Ratios under Loan Conditions		Loan terms	Ended December 31, 2020	Ended 31 December 2021	Ended December 31, 2022
Debt to Equity Ratio	Time	$\leq 1.5x$	0.3	0.6	1.0

Financial Ratios under Debenture Conditions

Financial Ratios under Loan Conditions		Debenture Conditions	Ended December 31, 2020	Ended 31 December 2021	Ended December 31, 2022
Debt to Equity Ratio	Time	$\leq 2x$	0.3	0.6	1.0

It can be seen that the Company was unable to obtain a loan from the 2nd financial institution. However, the Company did not borrow from this financial institution and this financial institution is reconsidering the conditions for this loan. Other than the 2nd financial institution, the company can maintain the ratio of financial conditions.

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

There are main factors or events that may significantly affect the financial position or operation of the Company as follows:



1. Change in currency exchange rate

For the year 2022, the Company's products which are mainly sold in US dollars, Euros, and Singapore dollars, accounting for approximately 61.5 percent, 5.0 percent, and 0.03 percent, respectively, of the sales revenue of the Ethnic/ Specialty foods group, which is the main business group of the Company. If the baht appreciates more against the said currency, this will make the Company's income decreased when converted to baht. When the income from sales in baht is compared with the cost of sales or most of the expenses incurred in baht, the ratio of expenses to income will increase or the ratio of profitability will decrease.

However, the company has a policy to sell more products in baht currency in the future for Ethnic/Specialty Food business category only, with sales to new customers and for new products, including the use of financial instruments such as futures contracts to hedge against the risk of exchange rate fluctuations. This will help the company's income to be less affected by exchange rate fluctuations.

The Group is exposed to significant foreign currency risk in respect of purchases or sales of goods, use of services and borrowing or lending in foreign currencies. The Group manages most of its risk by entering into contracts for foreign currency futures trading and foreign currency swap contracts, most with a maturity of 1 - 5 years.

2. Regulations governing food and drug use

The Food and Drug Administration (FDA) of countries such as the United States which is an agency from the federal government responsible for inspecting, controlling, overseeing the safety of medicines, food, medical devices and various cosmetics. In the past 1-2 years, the United States has strictly controlled and inspected the quality of food and drug imports. However, the company has improved the quality of production throughout the supply chain to ensure that the Company's products distributed to each country including the United States are of the specified standards.

3. The impact of geopolitical risks

The Russia-Ukraine War caused increases energy costs, inflation and rising interest rates around the world. It is one of the factors that affect the income of the group of companies.

4. Public offering of ordinary shares by using warrants

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.

If the company's share price is higher than 10.0 baht per share on the exercise date of the warrants, the money received from this capital increase will increase the company's liquidity. However, the current share price is lower than 10.0 baht per share, so this right was not exercised.



5. The impact of the company's liquidity

The majority of the Group's liabilities are due within one year related to bank overdrafts and short-term loans and long-term loans due within one year. The Group has assessed its ability to pay debts and consider such risks at a low level as the Group has the ability to access a variety of sources of funds sufficiently. However, in the year 2023, the debentures are due to be repaid in the amount of 700.0 million baht, which may affect the liquidity of the company in the short term. The company has several sources of funds for repayment of the debentures, namely 1) working capital in the company and 2) cash flow from operations. However, the company may issue more debentures for investment in the future.

6. Impact of Investments and Joint Ventures

6.1 Investing in Plant and Bean

From the operating results in 2021 and 2022, Plant and Bean Ltd. sustained increased losses so the company increased share of losses was realized from Plant and Bean Ltd. However, Plant and Bean Ltd. will be able to increase the selling price of goods in 2023 and there was an improvement in the management of production by the company to reduce production costs and it is expected to be profitable in the fourth quarter of 2023 and have cash from operations.

6.2 Investment in Botany Petcare Co., Ltd.

The Company acquired Botany Petcare Co., Ltd., representing a total of 66.7% of the paid-up shares. In September 2021, the company was able to recognize more revenue from the sales of Botani Petcare Co., Ltd., a factory in Ratchaburi which was changed from originally producing soy milk under the Chinpo brand to Botany Petcare, a pet food and snacks factory that will focus on plant-based pet food in the future. Botany Petcare will market its products under its own brand and accept contract manufacturing (Original Equipment Manufacturer or OEM) to export to countries in ASEAN and other countries. In 2022, the pet food factory started production in August. As the pet food market has grown exponentially and Botani Petcare Co., Ltd. has been well received by foreign customers. The company has now received orders to full production. Therefore, the company plans to double its production capacity by 2023 to meet growing demand for pet food.

6.3 Investing in the Ecommerce Business Group

The company has invested in e-commerce, which is a high-margin business but the net profit margin is lower than the Ethnic/Specialty Food group due to high selling expenses. Domestically, the Company has invested in Indeem Group Co., Ltd. ("Indeem"), which is a subsidiary of the Company. Indeem produces skin care products, dietary supplement and consumer goods in the form of a network (Multi-level Marketing or "MLM") or Network Marketing, which in 2022, the Company will recognize revenue from Indeem for a full year, which the Company expects that such business is likely to grow and become a channel for sales of various products of the company. In addition, for overseas investment, the Company has set up Boosted Company Corp., a joint venture between NRF Consumer Company Limited (which is a subsidiary of the Company) and Boosted Ecommerce Company, Inc. (a United States company) for the purpose of investing in branded e-commerce business on Amazon.com that has products in the Ethnic Food, Plant-Based Food, Functional Products that the Company already has a competitive advantage. These products must have good sales in Amazon's E-Commerce system and generate consistent returns by focusing on acquisition of intellectual property trademark, know-how and expertise in



operating a specific commodity business and other intangible assets related to business operations sold on the Amazon.com platform. In 2021 the Company has invested to acquire assets under the Prime Labs, SOL Trading and WellPath brands, which in 2022 the Company will recognize a full year revenue. The Company expects to invest additional assets on the Amazon.com platform under Boosted, Corp.

4.3 important financial information

Summary table of financial statements/consolidated financial statements

Statement of financial position	31 December 2020		31 December 2021		31 December 2022	
	M Baht	Percentage	M Baht	Percentage	M Baht	Percentage
Asset						
Current assets						
Cash and cash equivalents	224.3	6.7	309.5	6.6	437.7	7.3
Trade and other receivables	284.4	8.5	498.3	10.7	883.8	14.8
Short-term loans to other parties	-	-	-	-	35.6	0.6
Short-term loans to associated companies	-	-	257.7	5.5	-	-
Current portion of long-term loans to associated companies	-	-	-	-	164.9	2.8
inventories	188.1	5.6	196.9	4.2	222.1	3.7
Other current financial assets	-	-	-	-	346.4	5.8
Other current assets	24.8	0.7	19.2	0.4	14.4	0.2
Total current assets	721.6	21.5	1,281.6	27.5	2,104.9	35.3
Non-current assets						
Restricted financial institution deposits	7.9	0.2	34.6	0.7	34.6	0.6
Other non-current financial assets	104.0	3.1	287.7	6.2	419.2	7.0
Long-term loans to associates - net of current portion	-	-	-	-	228.1	3.8
Long-term loans to other parties	-	-	-	-	33.0	0.6
Investments in Associated Companies	187.4	5.6	241.8	5.2	89.6	1.5
Investments in joint ventures	-	-	36.7	0.8	140.0	36.7
Other long-term investments	-	-	-	-	-	-
Property, building and equipment	626.1	18.6	587.2	12.6	751.1	12.6
Right-of-use assets	11.1	0.3	11.4	0.2	11.5	0.2
Unallocated acquisition costs	5.0	0.1	4.7	0.1	-	-
Goodwill	241.6	7.2	245.0	5.3	249.7	4.2
intangible assets	1,433.1	42.8	1,878.5	40.3	1,835.2	30.8
Deferred tax assets	16.7	0.5	47.4	1.0	60.5	1.0
Other non-current assets	3.9	0.1	5.6	0.1	8.0	0.1



Statement of financial position	31 December 2020		31 December 2021		31 December 2022	
	M Baht	Percentage	M Baht	Percentage	M Baht	Percentage
Total non-current assets	2,636.8	78.5	3,380.6	72.5	3,860.5	64.7
Total assets	3,358.4	100.0	4,662.3	100.0	5,965.4	100.0
Liabilities and Equity						
Current liabilities						
Short-term loans from financial institutions	143.5	4.3	140.0	3.0	154.0	2.6
Trade and other payables	202.1	6.0	314.6	6.7	217.6	3.6
Portion of long-term loans due within one year	62.9	1.9	36.3	0.8	113.2	1.9
Portion of long-term debentures due within one year	-	-	-	-	696.9	11.7
Finance lease liabilities due within one year	4.0	0.1	3.7	0.1	3.7	0.1
Income tax payable	29.0	0.8	63.4	1.4	24.8	0.4
Other current liabilities	7.6	0.2	9.0	0.2	17.9	0.3
Total current liabilities	449.1	13.3	567.0	12.2	1,228.2	20.6
Non-current liabilities						
Long-term loans - net of current portion	-	-	222.3	4.8	132.3	2.2
Finance lease liabilities - net of current portion	5.4	0.2	6.7	0.1	7.1	0.1
long-term debentures	-	-	691.3	14.8	1,281.7	21.5
Provision for long-term employee benefits	15.3	0.4	19.3	0.4	23.5	0.4
Deferred tax liabilities	311.5	9.3	300.0	6.4	289.0	4.8
Other non-current liabilities	2.6	0.1	2.6	0.1	5.3	0.1
Total non-current liabilities	334.8	10.0	1,242.2	26.6	1,738.7	29.1
Total Liabilities	783.9	23.3	1,809.2	38.8	2,966.9	49.7



Equity						
share capital						
Registered capital	1,421.0		1,485.4		1,485.4	
Issued and paid-up capital	1,355.8	40.4	1,417.7	30.4	1,417.7	23.8
share premium	1,165.2	34.7	1,224.8	26.3	1,224.8	20.5
Discount on equity from merger	(290.8)	(8.6)	(290.8)	(6.2)	(290.8)	(4.9)
retained earnings						
Appropriated - statutory reserve	30.4	0.9	41.4	0.9	47.3	0.8
unallocated	327.0	9.7	454.3	10.9	651.8	10.9
Other components of equity	(13.1)	(0.4)	(32.0)	(1.4)	(85.6)	(1.4)
Company's equity	2,574.5	76.7	2,815.3	60.4	2,965.2	49.7
Non-controlling interests of the subsidiaries	-	-	37.8	0.8	33.3	0.6
Total Equity	2,574.5	76.7	2,853.1	61.2	2,998.5	50.3
Total Liabilities and Equity	3,358.4	100.0	4,662.3	100.0	5,965.4	100.0

Statement of Comprehensive Income	1 January – 31 December 2020		1 January – 31 December 2021		1 January – 31 December 2022	
	M Baht	Percentage	M Baht	Percentage	M Baht	Percentage
Income						
Sales revenue	1,408.3	97.5	2,100.0	90.6	2,294	87.6
Dividend income	5.8	0.4	-	-	-	-
Gains on changes in the value of financial assets designated to be measured at fair value through profit or loss.	-	-	33.6	1.4	68.0	2.6
Profit from sale of investment	-	-	99.6	4.3	135.6	5.2
Other income	29.6	2.1	75.2	3.2	121.7	4.6
Foreign exchange profit	0.4	0.0	9.8	0.4	-	-
Total income	1,444.1	100.0	2,318.2	100.0	2,619.7	100.0
Expenses						
cost of sales	974.2	67.4	1,283.5	55.4	1,281.7	48.9
selling and distribution expenses	66.1	4.6	261.2	11.3	387.6	14.8
administrative expenses	190.5	13.2	371.0	16.0	490.8	18.7
loss on exchange rate	-	-	-	-	5.4	0.2
total expenses	1,230.8	85.2	1,915.7	82.6	2,165.6	82.6
Profit before finance costs and corporate income tax expenses	213.6	14.8	402.5	17.4	454.1	17.3



Statement of Comprehensive Income	1 January – 31 December 2020		1 January – 31 December 2021		1 January – 31 December 2022	
	M Baht	Percentage	M Baht	Percentage	M Baht	Percentage
Loss from investment status change	(0.9)	(0.1)	-	-	-	-
Share of loss from investments in joint ventures	-	-	(0.8)	(0.0)	(9.3)	(0.4)
Share of loss from investments in associated companies	(15.4)	(1.1)	(52.6)	(2.3)	(63.4)	(2.4)
Financial income	0.2	-	7.9	0.3	35.2	1.3
Financial cost	(45.7)	(3.1)	(63.8)	(2.8)	(95.6)	(3.7)
Profit before income tax expenses	151.6	10.5	293.3	12.6	321.0	12.3
income tax expense	(27.2)	(1.9)	(71.8)	(3.1)	(53.5)	(2.0)
Net profit for the period/year	124.4	8.6	221.4	9.6	267.6	10.2

Other comprehensive income:						
<i>Items that will later be recorded in profit or loss</i>						
Share of other comprehensive income from investments in associated companies	4.7	0.3	14.1	0.6	(5.9)	(0.2)
Exchange differences from translating financial statements into foreign currencies	-	-	36.8	1.6	(3.0)	(0.1)
<i>Items that will not be subsequently recorded in profit or loss</i>						
Gains from investments in equity securities designated to be measured at fair value through other comprehensive income.	-	-	-	-	-	-
Actuarial losses	(8.3)	(0.6)	-	-	(0.6)	(0.0)
Income Tax Effects	1.6	0.1	-	-	0.1	0.0
Losses on investments in equity securities designated to be measured at fair value through other comprehensive income	(19.4)	(1.3)	(94.3)	(4.1)	(73.5)	(2.8)
Income Tax Effects	3.9	0.3	18.9	0.8	13.0	0.5
Other comprehensive income for the year	(17.5)	(1.2)	(24.6)	(1.1)	(69.9)	(2.7)
Total comprehensive income for the year	106.9	7.4	196.8	8.5	197.7	7.5

Cash flow statement	1 January – 31 December 2020	1 January – 31 December 2021	1 January – 31 December 2022
	M Baht	M Baht	M Baht
Cash flow from operating activities			



Cash flow statement	1 January – 31 December 2020 M Baht	1 January – 31 December 2021 M Baht	1 January – 31 December 2022 M Baht
profit before tax	151.6	293.3	321.0
Adjustments to reconcile profit before tax to cash received (paid)	-	(1.6)	3.9
Allowance for doubtful accounts (Reversal of allowance for doubtful accounts)	-	-	-
Reversal of impairment of financial assets	(0.7)	-	-
Depreciation and Amortization	89.7	156.5	173.4
(Profit) loss from disposal of assets	(0.0)	(0.1)	(0.2)
Loss on write-off of intangible assets	-	1.2	-
write off trade accounts receivable	-	-	-
write off inventories	-	-	-
Reduction of cost of inventories to net realizable value (reversal)	4.0	3.8	(2.5)
Share of loss from investments in joint ventures	-	0.8	9.3
Share of loss from investments in associated companies	15.3	52.6	63.4
Provision for long-term employee benefits	1.1	3.9	3.6
(Profit) loss from exchange rate that has not realized.	1.3	(0.2)	51.0
(gain) loss from fair value measurement of derivatives	(0.3)	-	2.0
Losses from adjusting the fair value of financial assets	0.0	(33.6)	(70.0)
Dividend income	(5.8)	-	-
interest income	(0.2)	(7.9)	(35.2)
Profit from disposal of investment in associated company	-	(99.6)	(135.6)
Loss from investment status change	0.9	-	-
Transaction costs arising from the issuance of shares	4.4	-	-
interest expenses	45.7	63.8	95.6
Profit from operating activities before changes in operating assets and liabilities	307.0	432.8	479.7
Changes in operating assets and liabilities			
Operating assets (increase) decrease			
Trade and other receivables	(26.8)	(145.8)	(110.4)
Inventories	(66.2)	(6.8)	(23.3)
Other current assets	(11.7)	5.8	1.5
Other non-current assets	(2.6)	(0.9)	(4.7)



Cash flow statement	1 January – 31 December 2020 M Baht	1 January – 31 December 2021 M Baht	1 January – 31 December 2022 M Baht
Operating liabilities (increase) decrease			
Trade and other payables	(6.5)	(8.7)	(105.0)
Other current liabilities	1.7	(0.8)	9.1
Other non-current liabilities	2.6	0.1	2.6
Employee benefits payment	-	-	-
Cash provided by operating activities	197.5	275.7	249.6
Interest payment	(50.0)	(59.5)	(95.4)
Income tax payment	(29.0)	(61.9)	(101.2)
Net cash from (used in) operating activities	118.5	154.3	53.1
Cash flows from investing activities			
Increased restricted bank deposits	17.5	(26.7)	-
Increase in other current financial assets	-	-	(350.0)
Other non-current financial assets increased	(98.0)	(181.8)	(222.4)
Proceeds from disposal of other non-current financial assets	-	47.2	24.4
Increase in loans to associated companies	-	(243.8)	(161.6)
Loans to other parties increased	-	-	(33.4)
Cash paid for purchase of investments in associated companies	(198.0)	(60.0)	-
Cash paid for investment in a joint venture	-	(37.5)	(112.5)
Cash paid for purchase of investments in subsidiaries	(181.6)	3.5	-
Cash paid for other long-term investments	-	-	-
Cash paid for the purchase of property, plant and equipment	(15.0)	(32.9)	(276.4)
Proceeds from sales of investments in subsidiaries	-	-	7.0
Proceeds from sale of investments in associates	-	-	1.0
Proceeds from the sale of equipment and vehicles	0.1	1.0	2.2
Cash paid for the purchase of intangible assets	-	(450.6)	(48.3)
interest income	0.4	6.6	6.0
Dividend income	5.8	-	-
Net cash used in investing activities	(468.8)	(975.0)	(1,164.0)
Cash flows from financing activities			
Increase (decrease) in short-term loans from financial institutions	24.9	(3.5)	14.0
Proceeds from loans from related parties	-	-	22.0
Proceeds from long-term loans	180.0	252.3	49.9



Cash flow statement	1 January – 31 December 2020 M Baht	1 January – 31 December 2021 M Baht	1 January – 31 December 2022 M Baht
Repayment of long-term loans from financial institutions	(1,063.4)	(71.4)	(66.9)
Proceeds from issuing long-term debentures	-	700.0	1,300.0
Payment of liabilities under finance lease agreements	(4.2)	(4.5)	(5.1)
Cash received from non-controlling interests of subsidiaries	-	1.1	4.9
Cash received from capital increase	1,334.0	-	-
Pay for transaction costs arising from the issuance of shares	(39.0)	-	-
pay dividends	-	(6.0)	(58.1)
Net cash from (used in) financing activities	432.3	868.0	1,260.7
Increase in currency translation differences	-	37.9	(21.3)
Unrealized gain (loss) on exchange rates for cash and cash equivalents	0.0	(0.0)	(0.3)
Cash and cash equivalents increase (decrease) - net	82.0	85.1	128.2
Beginning cash and cash equivalents	142.3	224.4	309.5
Cash and cash equivalents at the end of the period	224.3	309.5	437.7

Financial ratio	Unit	1 January – 31 December 2020	1 January – 31 December 2021	1 January – 31 December 2022
liquidity ratio				
liquidity ratio	Time	1.6	2.3	1.7
quick ratio	Time	1.2	1.9	1.5
Cash flow liquidity ratio	Time	0.3	0.3	0.1
Account receivable turnover ratio for general customers	Time	6.3	7.3	7.2
Average collection period	day	57.9	50.2	49.9
Inventory Turnover	Time	7.1	6.7	6.1
Average sales period	day	51.3	54.7	58.8
General traders payable turnover	Time	8.5	8.7	9.4
repayment period	day	43.2	42.2	38.2
cash cycle	day	66.0	62.7	70.5
profitability ratio				
margin	%	30.8%	38.9%	44.1%
operating profit margin	%	14.7%	17.4%	19.8%



Financial ratio	Unit	1 January – 31 December 2020	1 January – 31 December 2021	1 January – 31 December 2022
Profit before tax, interest, depreciation and amortization ^[1]	%	19.9%	22.2%	21.2%
Cash to profit ratio	%	55.6%	38.3%	13.9%
net profit margin	%	8.6%	9.6%	10.2%
Return on Equity	%	6.6%	8.2%	9.2%
Efficiency Ratio				
Return on assets	%	5.1%	7.3%	5.0%
Rate of Return on Fixed Assets	%	42.8%	62.3%	65.9%
asset turnover rate	Time	0.5	0.6	0.5
Financial Policy Analysis Ratios				
Debt to Equity Ratio	Time	0.3	0.6	1.0
Interest bearing debt to equity ratio	Time	0.1	0.4	0.8
Interest Coverage Ratio	Time	6.3	8.4	5.8
Commitment coverage ratio	Time	0.1	0.4	0.2
Dividend Payout	%	-	2.7	-



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 Kiatkangwarnklai
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:

- A. 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.
- B. 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.



- C. 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 for the following:
- 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 2022 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 regularly contact (only in the case of debt instruments)



The Company has appointed Bank of Ayudhya Public Company Limited as the debenture holder's representative and debenture registrar and the Company pays interest and repays loans through Bank of Ayudhya Public Company Limited.



NRF

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

SECTION 2 CORPORATE GOVERNANCE



6. 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 Article of Association 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 Committee 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 of 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 (AACP), 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 a happy 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

Item	Unit	2021	2022
No. of employees injured in the workplace	person	5	11
Ratio of injury that require absence from work	Case per 1,000,000 work hours	0.58	0.05
Death from performance of work	person	0	0

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. Competition will be fair and just. The Company upholds the policies to treat competitors without violating confidential information or attempting to access 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:

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 carefully prepare for countermeasures.

3. 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. The Board ensures that anti-corruption policies are made clear and communicated through all levels of the Company as well as outsiders to promote practicality.

5. The Board 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

In this, 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 2021 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 rationale 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

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. 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 Article of Association, policies, guidelines as follows:

- The Board of Directors Article of Association and the Sub-Committees' Article of Associations namely, the Audit Committee Article of Association, the Nomination and Remuneration Committee Article of Association, the Risk Management Committee Article of Association, Investment Committee Article of Association and the Corporate Governance and Sustainability Committee Article of Association.
- 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 Article of Associations 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). In 2022, the Company has summarized issues that have not been complied with in accordance with good governance practices, along with reasons/guideline as follows:

Actions that have not yet been acted upon	Reason/guidelines
1. At least 30% of the Directors should be female.	In 2022, the Company has 2 female directors, accounting for 25%, and the Company is in the process of recruiting additional female directors in the future.
2. More than 66% of the board consists of non-executive directors.	In 2022, the Company has 5 non-executive directors, accounting for 62.5%. The Company has set the agenda for the 2023 Annual General Meeting of Shareholders to nominate an additional



	independent director if the agenda is approved. will increase the proportion of non-executive directors to 66.67%
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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 2022 Corporate Governance Report of Thai Listed Companies (2022 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) for the second consecutive year with an average score of 89% (4 stars) and the average scores for each category are as follows:

CGR 2022 Scores

Results of CGR Score 2022		
Categories		Score (Percentage)
1	Rights of shareholders	98
2	Equal treatment of Shareholders	96
3	Stakeholder Role consideration	85
4	Disclosure and Transparency	90
5	Responsibility of Directors	85
Average Score		89

In the past year, the Company has received the score for the quality of the organization of the 2022 Annual General Shareholders’ Meeting of “Excellent” 100 score (5 stars) from the Investors Association of Thailand for the second consecutive year. 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 2022 for the second consecutive year by the SET.
- Selected and ranked in the SETTHSI index, an index that reflects the price movement of a portfolio of companies with sustainable business operations, whose size and liquidity pass the specified criteria.

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 1 March 2021 to indicate determination to fight corruption in all forms, promote effective anti-corruption measures, reduce the opportunity for any corruption and create accessible channels for complaint or whistleblowing. As a result, the Company was assessed and passed approval by CAC on 31 December 2022. The Company is highly committed to promoting the Company to become a leader in preventing and solving fraud and corruption problems, and expanding a transparent business network to partner companies in the future

In terms of the development to be an eco-friendly and sustainable organization in order to become a Clean Food Tech organization, the Company focuses on efficient internal processes and reducing emissions of pollutants and greenhouse gases to the environment. As a



result, the company was also certified as a Carbon Neutral Organization of Thailand's food factory by the Greenhouse Gas Management Organization. (Public Organization) for the 4th 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

According to the Article of Association, the Board of Directors Structure shall consist of

- 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.
- 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.
- The Board of Directors shall select 1 director to act as the Chairman, and the Chairman should be an independent director.

At present, the Board of Directors of NR Instant Product (Public) Company Limited comprises 8 directors:

- Four Independent directors, at least 50% of the Board
- Three executive directors, at least 37.5 % of the Board
- One non-executive director, at least 12.5% of the Board
- Two female directors, at least 25% of the Board

Board of Directors Selection Criteria

- 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 apply it to the Company and induce change 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/ Independent Director/Chairman of the Corporate Governance and Sustainability Committee Independent Director, Chairman of Audit Committee and Director, Corporate Governance and Sustainability Committee	- NR Instant Produce Public Company limited/Food manufacture
	2020- present	Independent Director, Chairman of Audit Committee and Director of Remuneration Committee	- Ngen Tidlor Public Company Limited
	2018 – present	Independent Director/Chairman of the Audit Committee	- 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	- Interlink Telecom Public Company Limited
	2019 - present	Independent Director/Chairman of the Audit Committee	- We Asset management Company Limited /Securities Business
	2018-present		
	2018 - present		
	2018 - present	Advisory Director	- Social Enterprise Thailand Association /Social Enterprise
	2018 - present	Advisory Director	- Thammasat Council
	2016 - present	President	- Thammasat Economics Association/Alumni Association
	2021 - present	Director and President	- Khonkaen University Council



	2021 - present	Independent Director/ Chairman of the Audit Committee	A-Commerce Group PLC
	2021 - present	Director	Private Sector Collective Action Against Corruption (CAC), Thai Institute of Directors (IOD)
	2014 - 2018	Director and Manager	Stock Exchange of Thailand/Stock market

2. Mr. Dan Pathomvanich	Director, Risk Management Committee, Investment Committee, and Corporate Governance and Sustainability Committee/		
Date of office	22 September 2017		
Proportion of Shareholding	1,000,104 shares		
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	2018- present	Executive Director/ Risk Management Committee/ Corporate Governance and Sustainability Committee/ Investment Committee,/ CEO/Acting CEO of Technology	- NR Instant Produce Public Company limited/Food manufacture
	2021- present	Director	- Neutra Generative Protein Limited/Holding company - Superplant Company Limited/Holding company
	2021- present	Director	- Regeneration Capital Company Limited/Consultant & Investment
	2021- Present	Director	- Nove Food Company Ltd./Food Manufacture - Root the Future Ltd./Marketing
	2018 - Present	Director	- City Food Ltd./Food Manufacturer - DLN 2017 Company Limited /Holding Company



	2020 – present	Director	- Pattanasuk 2015 Company Limited/Holding Company
	2020 – present	Director	- Asian Food Corporation Company Limited/Holding Company
	2017 - present	Director	- NFR Consumer Company Limited/Holding Company
	2017 - present	Director	- Hatton Capitol (Thailand) Company Limited/Financial Advisory
	2017 - present	Director	
	2014 - present		
	2013 - 2014	Director	- Bangkok Ranch Company Limited/Food Manufacturer

3. Ms. Penhurai Chaichatchaval	Director, Risk Management Committee, Nomination and Remuneration Committee, Investment Committee		
Date of office	22 September 2017		
Proportion of Shareholding	304,193 shares		
Highest educational background	Master's degree MBA Roosevelt University, Chicago, USA		
IOD Program	- Director Certification Program (DCP) 248/2017 - Strategic CFO in Capital Markets Program 6/2018 by the Stock Exchange of Thailand		
Experiences	present	Director/Chief Financial Officer/ Risk Management Committee/ Investment Committee/Nomination and Remuneration Committee/ Investment Committee	- NR Instant Produce Public Company limited / Food manufacturer - 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 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	22 September 2017		
Proportion of Shareholding	None		
Highest educational background	Master's degree in Business Management, Thammasat University		
IOD Program	Director Certification Program (DCP) 155/2018 IOD Program Experiences		
Experiences	present	Chief Operating Officer/ Risk Management Committee/ Corporate Governance and Sustainability Committee	- NR Instant Produce Public Company limited/Food manufacture
	2004 - 2017	CFO	- Bangkok Ranch Public Company Limited/food manufacturer

5. Mr. Tai Chuan Lin	Independent Director, Investment Committee		
Date of office	19 November 2018		



Proportion of Shareholding	None		
Highest educational background	Master Commerce, Vienna University of Business and Economics		
IOD Program	Director Accreditation Program (DAP) 183/2020		
Experiences	present	Director/Chairman of the Investment Committee/	- NR Instant Produce Public Company limited/Food manufacturer
		Managing Director	Proterra Investment Partners/Private Equity
	2004 - 2017	Associate	- Credit Suisse/Investment Banking
	2002 - 2004	Analyst	- HSBC/Investment Banking

5. Mr. Yeo Kok Tong	Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee		
Date of office	23 February 2018		
Proportion of Shareholding	235,000 shares		
Highest educational background	Post Graduate 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/ Audit Committee / Chairman of the Nomination and Remuneration Committee	- NR Instant Produce Public Company limited/Food manufacturer
	2022 - present	Director	Origgin 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 of Nomination and Remuneration Committee, Chairman of the Investment Committee and Audit Committee		
Date of office	23 February 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	- NR Instant Produce Public Company limited/Food manufacturer



		of Audit Committee /Nomination and Remuneration Committee	
	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 and Corporate Governance and Sustainability Committee		
Date of office	23 February 2018		
Proportion of Shareholding	None		
Highest educational background	PhD. in Social Science, Magadh University		
IOD Program	<ul style="list-style-type: none"> - Role of the Chairman Program (RCP) 46/2020 - Strategic Board Master Class (SBM) 7/2019 - Advanced Audit Committee Program (AAP) 33/2019 - Board That Make a Difference (BMD) 8/2018 - Diploma Director Certification Program (Exam) 62/2018 - Director Certification Program (DCP) 248/2017, - Board Nomination and Compensation Program (BHCP), 2/2017 - Risk Management Program for Corporate Leaders (RCL) 3/2016 - Directors Accreditation Program (DAP), 121/2015 		
Experiences	2018 - present	Independent Director/ Chairman of Risk Management Committee /Audit Committee/Nomination and Remuneration Committee/Corporate Governance and Sustainability Committee	- NR Instant Produce Public Company limited/Food manufacturer
	2014- present	Independent Director/Audit Committee/Chairman of Risk Management and Sustainable Development	Grand Prix International Public Company Limited/Automotive Exhibition



		Committee/Nomination and Remuneration Committee and Corporate Governance	
	2020- present	CEO/Independent Director/Managing Director	True Energy Limited/Electrical Plant from RDF waste (VSPP)
	1994- present	Managing Director	Thannon Company Limited/Advertising Activities

7.2.3 Roles, Duties and Responsibilities of the Board of Directors

Authority, duties and responsibilities of Board of Directors

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 Article of Association.
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) may have interest or may benefit in any manner or may have any other conflict of interest with the Company unless the transaction is permitted by the Company's policy or approved by the shareholder meeting or the Board of Directors.

Authority, Duties and Responsibilities of the Chairman of the Board

1. The Chairman of the Board of Directors and the Chief Executive Officer are required to be different persons. The Chairman of the Board of Directors must be an independent director.
2. Lead the Board of Directors and chair the meeting of the Board of Directors
 - 2.1 Run the meeting according to the agenda, company regulations and laws
 - 2.2 Allocate time and control meetings efficiently. Encourage all directors to discuss, freely exchange and with discretion, taking into account all stakeholders in its entirety.
 - 2.3 Has a decisive vote in the event that the Board of Directors' meeting voted and the votes were equal for both sides
 - 2.4 Summarize the resolutions of the meeting and the actions to be taken clearly.
 - 2.5 Set up a meeting of independent directors at least once a year, by inviting the management or related persons to attend the meeting to clarify or provide information on relevant matters.
3. Take the lead in the Shareholder's Meetings and conduct the meeting in accordance with the agenda regulations of the Company, and the law by allocating time appropriately Including giving the opportunity to shareholders to express their opinions equally, and ensure that shareholders' inquiries are answered appropriately and transparently.
4. Support and encourage the Board of Directors to perform their duties at full capacity, according to the scope of duties and responsibilities and in accordance with good corporate governance principles and other related company policy regulations



5. Responsible as a leader of the Board of Directors in supervising, following up and supervising the management, and performance of duties of the Board of Directors and other sub-committees to achieve the objectives and plans set out
6. Supervise the implementation of the policy, and strategic operational guidelines of the management as well as giving advice and support to the management's business operations.
7. Be a leader and act as a good role model in compliance with the principles of corporate governance and business ethics of the company.
8. Promote, supervise and follow up management based on sustainability principles social responsibility and comply with anti-fraud and corruption measures and guidelines.
9. Strengthen good relations between the Board of Directors and the management, and support the performance of duties of the Chief Executive Officer and the management according to the Company's policy.
10. Ensure information disclosure and transparent handling in the event of a conflict of interest.
11. Supervise the Board of Directors to have an appropriate structure and composition and diverse.

Approval Authority of the Board of Directors

1. Appoint, remove and delegate authority to various committees and the Chief Executive Officer.
2. Approve loan debt issuance to be used as working capital and investment of the Company.
3. Approve loans to companies that have a business relationship with the company, as a shareholder or companies that have trade business with each other or another company.
4. Approve credit guarantees for companies that have a business relationship with the Company as a shareholder or companies that have trade business with each other or another company.
5. Approve the establishment, merger or dissolution of a subsidiary.
6. Approval of investment, sale of investment in ordinary shares and/or any other securities.
7. Approve procurement and investment in fixed assets In the amount that exceeds the authority of the executives.
8. Approve the disposal of fixed assets in the amount that exceeds the authority of the executives.
9. Approve the reconditioning, destruction, write-off of fixed assets, and/or intangible assets that are obsolete, damaged, lost, destroyed, deteriorated, obsolete, or cannot be used in the amount that exceeds the authority of the executives.
10. Approval of entering into transactions that are not normal for the business.
11. Approve compromise of dispute resolution, arbitration, complaints, litigation and/or proceeding with any judicial proceedings on behalf of the Company for matters not in the ordinary course of business and/or as a normal business practice with funds in the amount that exceeds the authority of the executives.
12. Propose capital increase, capital reduction, change in share price, amendment, change in the memorandum of association, articles of association and/or objectives of the company to shareholders.
13. Approve the executive committee to establish an operational manual or any other operational regulations as deemed appropriate.
14. Appoint and remove Company Secretary.
15. The authorities of the Board of Directors as mentioned above are related to acquisition matters or disposal of assets and connected transactions following the announcement of the Office of the Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET) and the SET Board of the Governors.



Binding Signatory

The binding signatory are two of the following directors : Mr. Dan Pathomvanich, Ms. Penhurai Chaichatchaval, Mr. Teerapong Lorratchawee, signing jointly and affixing 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 Monitor and ensure the Company is complying with anti-corruption policy and measures.

1.9 Perform any other duty as assigned by the Board and as agreed on by the Committee.

1.10 Review the Article of Association and evaluate past 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 needs to be nominated for the Board consideration, select from the existing director to renew his term or accept nomination from shareholders or utilizing outside party's service or select from the profession association or nomination by directors or other methods.

2.3 Review the candidate's qualification to ensure compliance with applicable laws.

2.4 Actively recruit and 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 types 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.



- 1) Consider suitability and give approval in case of offering new securities to directors and employees by adhering to the principles of fairness to shareholders and incentivize directors and employees to perform their duties in order to create long-term added value for shareholders and to retain quality personnel.

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	Position
1. Mr. Yeo Kok Tong	Chairman of the 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 the 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 Manchusree	Chairman of the 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 the Investment Committee
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 the Executive Committee
2. Mr. Mr. Teerapong Lorratchawee	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	Chairman of the Executive Committee
2. Mr. Teerapong Lorratchawee	Chief Operating Officer
3. Miss Penhurai Chaichatchaval	Chief Financial and Investments Officer
4. Mr. Panchai Thaidamrongdej	Accounting and Financial Manager
5. Mr. Prasertsak Abhornwichanop	Sales and Marketing Manger
6. Mr. Varanyu Pinprapai	Manufacturing Manager
7. Mr. Sombat Dejsomboonsuk	Information Technology Manager

In this regard, the Company has defined the roles, authorities and responsibilities of the Chief Executive Officer as follows:

1. Oversee the overall operations of the company in accordance with the objectives of the company's business operations and as assigned by the Board of Directors.
2. Set strategies and business plans for submission to the Board of Directors and operate to achieve the goals according to the strategies and business plans approved by the Board of Directors.
3. Carry out and perform missions assigned by the Board of Directors and in accordance with the policy of the Board of Directors.
4. Order the issuance of regulations, announcements, records to ensure that the operation is in accordance with the policy.
5. Approve and/or authorize legal acts to bind the Company for normal business transactions of the Company, including transactions that the Chief Executive Officer has been authorized by the Board of Directors to perform on its behalf. This includes any transaction that does not directly bind Company assets.
6. Coordinate with executives and employees to comply with policies and business directions received from the Board of Directors.
7. Seek new business opportunities and investments related to the core business of the Company and its subsidiaries to increase revenue for the Company.
8. Consider the use of rights and assets of the Company to create any obligations with individuals, companies, shops or financial institutions to propose to the Board of Directors for approval.
9. Consider and approve the payment of normal operating expenses in the amount approved by the Board of Directors.
10. Consider approving the investment in instruments and securities for the Company's accounts within the amount approved by the Board of Directors.
11. Approve in principle investment in business expansion as well as joint ventures with other operators and present to the Board of Directors for approval at the next meeting.
12. Approve major investment expenditures that are specified in the expenditure budget for the year or that the Board of Directors has previously approved in principle.
13. Supervise the work of employees in accordance with various policies, regulations, including operating with good governance in doing business.



14. Promote development of knowledge, competence and potential of employees to increase the potential of the organization.
15. Consider appointing consultants necessary for the operation of the company.
16. Consider approving connected transactions that are under normal trade conditions such as trading at market prices, charging service fees at normal rates and giving credit terms like general customers, etc., under the policy approved by the Board of Directors. Company Directors as defined in the Authority Manual
17. Have the power to hire, appoint, transfer persons as they see fit. as well as specifying the scope of authority and appropriate returns and to have the power to discharge issued as appropriate of employees at different levels as defined in the operational authority manual
18. Carry out other tasks as assigned by the Board of Directors on a case-by-case basis. The Chief Executive Officer has no authority to approve matters or connected transactions that are not normal trade conditions. Acquisition and disposition of important assets of the Company and/or transactions where the Chief Executive Officer or persons who may have conflicts of interest or have conflicts of interest in any other manner will be made with the Company and its subsidiaries, except for Transactions that are normal business conditions that policies and criteria have been set and approval of transactions that are in accordance with policies and criteria that the Board of Directors has approved and has sought approval from the shareholders in the transaction. connected transactions and the acquisition or disposition of important assets of the Company or its subsidiaries in order to comply with the requirements of the Stock Exchange of Thailand in such matters.

b) Organization Chart as shown in 7.1 Corporate Governance Structure

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 Lorratchawee 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 executives who are the directors of the subsidiary will not receive directors' remuneration from the subsidiary company.

Item	For the year 2022	
	Amount (item)	Remuneration (Million baht)
Salary and bonus	7	29.56
Other remuneration includes social security fund, provident fund, and other employee benefits	7	0.82
Total	7	30.38



7.5 Information about employees

Table showing details of the number of employees in each line of work (excluding executive officers) on 31 December 2020 to 31 December 2022.

Department		As of 31 December 2020		As of 31 December 2021		As of 31 December 2022	
		Regular	Temporary	Regular	Temporary	Regular	Temporary
1	Management	8	-	9	-	3	-
2	Production	75	454	79	516	71	463
3	Engineering	12	2	13	3	16	3
4	Warehouse	7	50	8	54	7	52
5	Research and development						
	Quality control	40	17	38	22	57	22
	Quality assurance						
	Central planning and development						
6	Accounting and finance department	14	-	14	-	20	-
7	Human Resources						
	Registrar	16	16	23	19	37	21
	Performance Development						
8	Information Technology	14	-	16	-	20	-
9	Sales and marketing						
	Product design department						
	Document control department	26	2	32	4	37	3
	Online marketing department						
	Investment department						
10	Purchasing	8	-	8	-	8	-
	Project control (General)						
11	New product development	2	-	2	-	-	-
	Project control (Alternative Protein)						
12	Sustainability	4	-	6	-	4	-
Total		226	541	248	618	280	564

To note, the Company has never had a labour dispute.

The Company pays compensation to its employees in various ways (excluding executive level officers) in 2020, 2021 and 2022 as follows:

Remuneration (Million baht)	2020	2021	2022
Salary	38,361,726.89	50,709,397.84	53,703,958.66



Remuneration (Million baht)	2020	2021	2022
Bonus	6,530,210.20	3,389,910.51	3,082,848.16
Other remuneration ^{/1}	9,286,637.17	12,664,037.84	9,637,875.67
Total	54,178,574.26	66,763,346.19	66,424,682.49

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	No. of employees who joined PVD (person)	Percentage of employees who joined PVD/total (%)
NR Instant Produce Public Company Limited	Yes	186	22.0%
Nove Foods Company Limited	No	-	-
NRF consumer Company Limited	No	-	-
Root the Future Company Limited	No	-	-
City Food Company Limited	No	-	-
Superplant Company Limited	No	-	-
Regeneration Capital Company Limited	No	-	-
Boosted NRF Corp.	No	-	-
Indeem Group Company Limited	No	-	-
Indeem International Company Limited	No	-	-
Botany Petcare Company Limited	No	-	-
Regeneration Investment Holdings (Singapore) Limited	No	-	-
Regeneration Investment Holdings (Cayman) 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:	- Master of Business Administration, Flinders University, Australia. - Bachelor of Accounting, Chiang Mai University
Training history	- Company Secretary Program (CSP) Class 110/2020, Thai Institute of Directors Association (IOD) - Strategic CFO in Capital Markets Program, Class 6/2018, The Stock Exchange of Thailand



Shareholding Proportion (Percent)	None
Family relationship with directors and executives	None
Work experience in the past 5 years	
2020 - Present	Director and CFO, Incredible Solutions
2018 - 2019	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, as the Chief Financial Officer, is 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)

Mr. Paradorn Chumprasert is the head of Compliance for the Company and oversee all governance and compliance with criteria that the Company must abide by, both for the Company and its subsidiaries.



Education / Training Background:	- Bachelor of Accounting, Chiang Mai University
Training history	- Certified Professional Internal Auditor of Thailand-Professional Education (CPIAT 36) - International Automotive Task Force 1649:2016 - Risk Management, Internal Auditing, and Introduction & Implementation
Shareholding Proportion (Percent)	None
Family relationship with directors and executives	None
Work experience in the past 5 years	
2022 - Present	Group Compliance and Internal Process, NR Instant Produce
2021 - 2021	Risk Management & Internal Control Manager, Global Green Chemical Company
2019 - 2022	Risk Management & Internal Control Consultant, Various Customer , Thailand
2019 – 2019	Internal Audit Assistant Manager, King Fisher Company
2016 - 2019	Manager of Internal Audit, Summit Auto Seat, Bangkok, Thailand

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

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 2022 and was appointed by the 2022 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 2022 has increase 18% from the year 2021 due to the additional number of companies that require consolidate financial statements and in the year 2022, the remuneration paid for the auditors are as follows:

	2021 (Baht)	2022 (Baht)
Auditing fee	2,500,000	2,950,000
Service and other fees	19,344.98	433,222.96

Service fees and other expenses for the audit firm is for provision of services in addition to the agreed scope such as checking Impairment Test of investments of 5 companies, an increase from 2021 of 3 companies.



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 consist of 8 directors including 4 independent directors, 3 executive directors and 1 non-executive directors which combined of director's diversification in various knowledge, experience and specific expertise as determined by Board Skills matrix without discrimination and inequality regarding gender, age, religion and culture for suiting the Company's best interest. The details of the Board of Directors' meeting are shown as follows:

Name	Position in the Board of Directors	Meeting Attendance	Independent Directors' Meeting Attendance
Mrs. Kesara Manchusree	Chairman / Independent Director	11/12	1/1
Mr. Yeo Kok Tong	Independent Director	12/12	1/1
Dr. Dhas Udomdhamabhakdi	Independent Director	12/12	1/1
Mr. Udomkarn Udomsab	Independent Director	12/12	1/1
Mr. Tai Chuan Lin	Director	10/12	
Mr. Dan Pathomvanich	Executive Director	12/12	
Ms. Penhurai Chaichatchaval	Executive Director	12/12	
Mr. Teerapong Lorratchawee	Executive Director	10/12	

In the year 2022, the Board of Directors held total of 12 meetings and 1 independent directors' meeting to perform duties and responsibilities in accordance with the Board of Directors' charter and consider the Company's matters as follows:

1. Business direction

The Board of Directors has performed and involved in the determination of the Company's vision, mission, strategic direction, business plan, business structure, and budget of the Company as well as reviewing and revising of the Company's policies and charters to facilitate and ensure high productivity of the Company's operation as well as comply with good governance, In addition, the Board of Directors has been constantly monitored and provided advices and recommendations in order to support the operation to follow the strategy continuously.

2. Corporate governance and sustainability

The Board of Directors seriously committed to good corporate governance and sustainability practices. In the past year, the Board of Directors reviewed and revised good corporate governance policy in accordance with Corporate Governance Code (2017) and Corporate Governance Report of Thai Listed Companies (CGR). The Board of Directors also revised the policies for anti-fraud and corruption and whistleblowing channel pathway to be effectively deployed and enforced throughout the business value chain in accordance with Thai Private Sector Collective Action Against Corruption (CAC) guidelines. As a consequence, the Company was awarded the CAC certification on 31 December 2022. In regard to the Company's business direction toward sustainability, the Company positioned to become the Clean Food Tech Company which the Board of Directors has determined that the Company should effectively operate whilst controlling the use of resources to be more efficient and turn to be the carbon negative company. The Board of Directors assigned the Corporate Governance and Sustainability Committee to review and monitor the sustainability projects and activities as well as determine framework leading the Company to be the sustainable organization.



3. **Financial report and investment**

The Board of Directors considered and reviewed quarter and annual of separated and consolidated financial statements of the Company and its subsidiaries followed the comments from the Audit Committee. The Board of Directors also actively considered and approved crucial investments which aligned with the Company's business direction and complimented the existing businesses. The Board of Directors assigned the Investment Committee to review the investment projects before proposing to the Board of Directors for approval as well as constantly monitor the investments' performance.

4. **Internal control, internal audit and risk management**

To ensure effective business operation in compliance with related rules and regulations couple with the internal control system, the Board of Directors assigned the Audit Committee to oversight the operation of the business and assure the sufficient internal control. Moreover, the Board of Directors assigned the Risk Management Committee to monitor all risks of the Company as well as emerging risks and followed up the risks management plan and progress of the Company, then regularly reported to the Board of Directors.

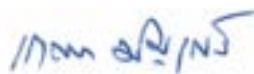
5. **Conflict of interests**

The Board of Directors intentionally committed to do the business with clarity and transparency as well as preventing conflicts of interests throughout the business operation. The management has to quarterly report the related party transactions to the Audit Committee and the Board of Directors to ensure the fairness and reasonable of those transactions. The Board of Directors determined that the directors and executives who would like to buy or sell the Company's security have to follow the Insider Trading Policy and rules and regulations of the Securities and Exchange Commission (SEC).

6. **Board of directors' effectiveness**

The Board of Directors determined that all directors should continuously enhance their capabilities and readiness to meet the growing expectation and direct the Company to achieve their goals. Therefore, the self-assessment process should be an important part that reflect the performance of Board of Directors and sub-committees and also indicate a critical competency of each director which could be use for improvement and development of director performance in the future.

The Board of Directors has performed its duties with prudence, transparency, fairness and independence in accordance with good corporate governance principles to give confidence and best interests to all stakeholders.



(Mrs. Kesara Manchusree)

Chairman of the Board

27 February 2023

8.1.1 **Recruitment, development and evaluation of the performance of the Board of Directors**

(1) Nomination of Independent Directors

The Board of Directors will jointly consider the qualifications of persons who will be appointed as independent directors based on their qualifications and prohibited characteristics of directors according to the Public Companies Act, the Securities Act, and notifications of the Capital Market Supervisory Board. including announcements, regulations and/or relevant regulations. In addition,



the Board of Directors will consider selecting independent directors based on expertise, work experience and other qualifications, then will be presented to the shareholders' meeting for consideration and appointment as a director of the Company. The Company has a policy to appoint independent directors at least one-third of the total number of directors and must The Board of Directors has determined the qualifications of independent directors as follows:

1. Holding shares not exceeding 1% of the total number of shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholder or controlling persons of the Company, including the shares held by related persons of such independent director as well.
2. Not being or having been an executive director, employee, staff, advisor who receives regular salary or a controlling person of the company, parent company, subsidiary company, associated company, same-level subsidiary company major shareholder or a controlling person of the Company, unless he or she has retired from the aforementioned position for not less than 2 years before taking a position as a member of the Audit Committee. This prohibition does not apply if the independent director work as a government official or consultant of government agencies that are major shareholders or a controlling person of the Company.
3. Not being a person related by blood or by legal registration as father, mother, spouse, sibling, and child, including spouse of child of other directors, executives, major shareholders controller or a person who will be nominated as a director, executive or controlling person of the Company or its subsidiaries.
4. Not having or having had a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company in a manner that may obstruct the exercise of independent judgment, including not being or having been a significant shareholder or a controlling person of a person having a business relationship with the company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the Company unless he has retired from the aforementioned position for not less than 2 years before taking the position.

Such business relations include commercial transactions for business operations such as renting or putting up real estate for rent, transactions relating to assets or services or giving or receiving financial assistance by accepting or lending, guaranteeing, providing assets as collateral for liabilities including other similar transactions that will result in the company or the parties to the contract accruing debts that must be paid to the other party from 3% of the net tangible assets of the Company or from 20 million baht or more. However, the calculation of such indebtedness shall be in accordance with the method for calculating the value of connected transactions pursuant to the Notification of the Capital Market Supervisory Board on Rules for Connected Transactions mutatis mutandis. Such debt shall including debt obligations incurred during the 1 year prior to the date of business relationship with the same person.

5. Not being or having been an auditor of the company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company and not being a significant shareholder controller or partners of the audit firm which has auditors of the company, parent company, subsidiaries, associated companies, major shareholders or a controlling person of the company, unless the foregoing status has ended not less than 2 years prior to taking the position.
6. Not being or having been a professional service provider, including legal advisory services or financial advisor which receives service fees of more than 2 million baht per year from the Company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company and not being a significant shareholder



controller or partner of that professional service provider as well Unless he has retired from the aforementioned position for not less than 2 years before taking the position.

7. Not being a director who has been appointed as a representative of the Company's directors major shareholder or shareholders who are related to major shareholders.
8. Not operating a business that has the same nature and is in significant competition with the business of the Company or its subsidiaries or not being a significant partner in a partnership or being an executive director, employee, staff, consultant who receives regular salary or holds more than 1% of the total number of shares with voting rights of any other company which operates a business with the same condition and is a significant competition with the business of the Company or its subsidiaries
9. There are no other characteristics that make it impossible to express independent opinions on the operations of the Company.

In 2022, there are 4 independent directors out of a total of 8 directors, which is more than what was announced by the Capital Market Supervisory Board. All independent directors are fully qualified according to the definition specified for independent director as announced in the Board of Directors Charter and the announcement of the Capital Market Supervisory Board. All are able to express opinions independently and in accordance with relevant rules and good corporate governance.

(2) Nomination of Directors and Top Executives

Nomination of Directors

In the selection and appointment of directors, the Nomination and Remuneration Committee, which consists of 3 independent directors, will nominate and screen directors based on their qualifications, background, knowledge and experience appropriate according to the Company's regulations and in line with the business operations of the company by using the analysis of knowledge and expertise (Board Skills Matrix) for to ensure approval before presenting to the Board of Directors' meeting for presenting to the shareholders' meeting for further consideration and election. The company may use the services of a professional search firm or recruiting from the director pool of the Thai Institute of Directors (IOD) to obtain board diversity without discrimination against gender, religion, skin color, race and age for the best interest of the organization and all stakeholders and in accordance with the criteria for nomination and appointment of directors. The criteria for electing director in the Annual General Shareholder's Meeting according to the Board of Directors' charter are as follows:

- 1.1 One shareholder has one vote equal to 1 share per 1 vote.
- 1.2 In electing directors, voting may be used to elect one individual director at a time or many persons at a time, as the shareholders' meeting deems appropriate. But for each election, Shareholders must vote with the single vote they have according to item 1 and cannot share the vote among candidates. Therefore, shareholders cannot divide their votes in the election of directors as a portion according to Section 70, paragraph one of the Public Companies Act B.E. 2535 (Non-cumulative voting only).
- 1.3 Persons receiving the highest number of votes in descending order will be elected as directors equal to the number of directors that is vacant or should to be elected at that time. In the event that the number of votes cast for candidates in descending order are equal, which would otherwise cause the number of directors to be exceeded, the chairman of the meeting shall have a deciding vote.
- 1.4 The Board of Directors is responsible for managing business operations of the company. The term of office shall be in accordance with the Company's Articles of Association, that is, at every annual general meeting of shareholders,



1/3 of the directors shall retire from office. If the number of directors cannot be divided exactly into three parts then the number nearest to 1/3 of the portion shall be retired. Directors who retire may be re-elected to take office again for specific committees, namely the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee Investment Committee, Corporate Governance and Sustainability Committee and Executive Committee. The term of office shall be for 3 years, where 1 year here means the period between the date of the Annual General Meeting of shareholders of the year of appointment until the next year's Annual General Meeting of Shareholders. Then, directors who retire by rotation may be nominated and re-appointed.

- 1.5 In addition to retiring from office by rotation, director vacates office when
- (a) dead
 - (b) resigned
 - (c) Lack of qualifications or possesses prohibited characteristics under the law on Public Limited Companies, or the law on securities and exchange
 - (d) The shareholders' meeting passed a resolution for the director to retire before the end of the term with a vote of not less than 3/4 of the number of shareholders attending the meeting and having the right to vote and having shares altogether not less than half of the number of shares held by shareholders attending the meeting and having the right to vote.
 - (e) Dismissal by a court order;
- 1.6 Any director who wishes to resign from the position must submit a resignation letter to the Company. The resignation will be effective from the date the resignation letter reaches the company. A director who has resigned under the first paragraph may also notify the Registrar of his/her resignation.
- 1.7 In the event that a director's position becomes vacant for reasons other than the expiration of the term, the committee shall select a qualified person who does not possess any prohibited characteristics under the law on public limited companies or the law on securities and stock exchange to be a replacement director at the next Board of Directors' meeting, unless the remaining term of that director is less than 2 months, whereby the person who replaces such director will be in the position only for the remaining term of the director he/she replaces. The resolution of the Board of Directors according to the first paragraph must consist of votes of not less than 3/4 of the number of remaining directors.

At the 2022 Annual General Meeting of Shareholders on April 22, 2022, the Company has 3 directors who retired by rotation as follows:

1. Mrs. Kesara Manchusree
2. Mr. Yao Kok Tong
3. Mr. Dan Pathomwanich

Rights of retail investors to appoint directors

The Company has provided opportunities for shareholders to nominate qualified persons to be considered for election as directors in advance from October 11, 2021 to January 10, 2022. When the time passed, no shareholder nominated a person to be considered for election as a director to the Company. In this regard, the Nomination and Remuneration Committee who comprise independent directors and has no conflicts of interest, therefore considers the nomination and selection of qualified persons according to the specified criteria and nomination process and deemed it appropriate to nominate the former directors to be re-elected for another term. The Board of Directors' Meeting and the Annual General Meeting of Shareholders resolved to approve the appointment as proposed by the Nomination and Remuneration Committee.



Senior management recruitment

In addition to the Company seeing the importance and assigning the Nomination and Remuneration Committee to nominate and elect the Company's directors, the Board of Directors also attaches importance to the recruitment and development of high-ranking executives who are qualified to manage personnel, an important cog in driving the organization in accordance with the policy and strategies set by the Board. The company has specified the skills, experiences and characteristics necessary for executives in order to achieve results in recruiting personnel that meet the needs according to the company's recruitment plan as well as develop personnel with the potential to become senior executives for the succession plan in the future as well. The Board of Directors has the duty to appoint the Chief Executive Officer, the highest level executive of the Company, and tasked the Nomination and Remuneration Committee to consider the nomination according to the criteria set forth in the charter. In addition, the Nomination and Remuneration Committee has been authorized to have the power to set criteria, recruitment qualifications and appointing the Company's senior executives with 2 main criteria as follows:

- 1) Managerial Competency meaning leadership skills, strategic management skills, project management skills, risk management skills and business management skills
- 2) Functional Competency means knowledge, skills and characteristics that executives need to have to perform duties to achieve the set goals, such as data analysis skills, design skills, planning and management skills, etc.

In addition, the Nomination and Remuneration Committee also determines the compensation structure and evaluate the performance of senior executives as well. The remuneration of top executives that the Company decides on may consist of monetary compensation, such as salary and bonuses for short-term compensation, or warrants to purchase ordinary shares of the Company issued to Executives and Employees (ESOP) for Long Term Compensation and non-monetary compensation such as medical benefits and personnel development through both internal and external training, etc. At the end of each year, there will be a performance evaluation of the senior executives according to the specified evaluation criteria in order to obtain assessment results that match the performance and in line with the Company's goals.

(3) Director Development

The Board of Directors encourages directors to continually develop their knowledge every year in courses related to their duties as directors for application of knowledge to Company business and to proactively cause change for competition in the future.

In 2022, one director, Dr. Dhas Udomthambhakdi, attended the Thai Institute of Directors Association (IOD)'s courses: the Director Leadership Certification Program (DLCP) class 7/2022 and the Formal Continuing Professional Development (CPD) arranged by the Federation of Accounting Professions under Royal Patronage, that summarizes changes and important issues of the Class 1/65, Internal Practice Course for Small Auditing Firms. He also participated in the professional ethics training program for Certified Public Accountants, Class 4, etc.

In addition, in the past year 2022, the company has organized CAC Training on the role of executives and employees in anti-corruption for employees at all levels, executives and company directors presented by Mr. Pana Rattanabanangkul Director of the Thai Private Sector Collective Action Against Corruption (CAC) on August 11, 2022, with 4 directors participating in the training, namely Dr. Dhas Udomthambhakdi, Mr. Dan Pathomvanich, Mr. Teerapong Lorratchawee and Ms. Penhurai Chaichatchaval.

(4) Evaluation of performance of the Board of Directors and Chief Executive Officer



To comply with the principles of good corporate governance for listed companies, the Board of Directors requires an evaluation of the performance of the Board of Directors and sub-committee both as a group and as an individual, including performance evaluation on the CEO at least once a year so that the Board of Directors and CEO would improve their performance further with the following steps:

Procedures for conducting a self-assessment

1. The Company secretary proposes a self-assessment form for Company directors according to the guidelines of the IOD for the Board of Directors and subcommittees both as a group and as an individual, including the assessment of the CEO, for consideration by the Corporate Governance and Sustainability Committee for proposal to the Board of Directors for approval.
2. Once approved by the Board of Directors, the Company Secretary will deliver the assessment form to all directors and sub-committees for an assessment and/or to give opinions and suggestions.
3. The directors returned the assessment form to the Company Secretary within the specified period.
4. The Company Secretary collects and summarizes the assessment results received and presents them to the Board of Directors as information for continual development.

Evaluation criteria and topics

1. Self-assessment form of the Board of Directors

Group	Individual
1. Structure and qualifications of the Board of Directors	1. Personal qualities
2. Roles, duties and responsibilities of the Board of Directors	2. Readiness for duty
3. Board of Directors Meeting	3. Participation in meetings
4. The dynamics of the performance of duties of the Company's directors	4. Roles, Duties and Responsibilities
5. Relationship with management	5. Relationship with the Board of Directors and Management
6. Self-development of company directors and development of executives	

2. Self-assessment form of sub-committees

Group	Individual
1. Structure and qualifications of sub-committees	1. Personal qualities
2. Roles, duties and responsibilities of sub-committees	2. Readiness for duty



3. Sub-committee meetings	3. Participation in meetings
4. Subcommittee Reports	4. Roles, Duties and Responsibilities
	5. Relationship with the Board of Directors and Management

3. Self-assessment form of the Chief Executive Officer

Section 1 Performance Measurement	
1.	Leadership
2.	Strategy
3.	Strategy implementation
4.	Financial Planning and Performance
5.	Relationship with the Board
6.	External relations
7.	Administration and personnel relations
8.	succession
9.	Knowledge of products and services
10.	Personal attributes



Section 2 Development of Chief Executive Officer

1. Important strengths that the CEO should maintain
2. Issues that the CEO should developed more in the coming year.

To allow the Board of Directors subcommittee and Chief Executive Officer to compare assessment results in each topic or compare the assessment results of each year, the scoring method for each assessment item is 0-4 points, which are detailed as follows:

- 0 = strongly disagree or no action in that regard
 1 = Disagree or have only some action on that matter
 2 = Agree or there has been a fair amount of action on that matter.
 3 = Agree quite strongly or there is a good action on that matter
 4 = strongly agree or has performed excellently in that regard

In this regard, every set of self-assessment forms have a set evaluation criteria by taking the total score obtained calculated as a percentage of the full score. The details of the scoring criteria are as follows:

Score range (percentage)	Assessment results
over 85	Excellent
75 - 85	Very good
65 - 75	Good
50 - 65	Fair
under 50	Should improve

In 2022, the performance assessment results of the Board of Directors and all sub-committees, namely the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance and Sustainability Committee and Investment Committee, Both as a group and individually are in excellent criteria and the results of performance evaluation of the Chief Executive Officer are in very good criteria.

8.1.2 Meeting attendance and remuneration for individual directors

The schedule of meetings of the Board of Directors and sub-committees is set in advance for the whole year and sent to all directors in advance so that each director can allocate time and attend the meeting. In the event of an urgent or special agenda, additional meetings may be held as appropriate. In addition, the Board of Directors has assigned the Company Secretary to deliver the meeting invitation letter together with supporting documents for the Board of Directors' meeting agenda with complete, accurate and sufficient information for consideration by specifying clearly whether the matter is proposed for acknowledgment, for approval, or for



consideration, as the case may be, by requiring documents to be sent to the Board of Directors at least 5 working days prior to the meeting.

Attendance of the Board of Directors in 2022

Name - Surname		Attendance of the Board of Directors in 2022						
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk management Committee	Investment Committee	Corporate Governance and Sustainability Committee	AGM for the year 2022
		12 times	5 times	8 times	4 times	8 times	4 times	1 time
1	Mrs. Kesara Manchusree	11/12					3/4	1/1
2	Mr. Yao Kok Tong	12/12	5/5	8/8				1/1
3	Dr. Dhas Udomdhammapakdee	12/12	5/5	8/8	4/4		4/4	1/1
4	Mr. Udomkarn Udomsub	12/12	5/5	8/8		8/8		1/1
5	Mr. Tai Chuan Lin	10/12				6/8		1/1
6	Mr. Dan Pathomvanich	12/12			4/4	8/8	4/4	1/1
7	Ms. Penhurai Chaichatchaval	12/12			4/4	8/8		1/1
8	Mr. Teerapong Lorratchavee	10/12			4/4		4/4	1/1

Remuneration for individual directors in 2022

At the 2021 Annual General Meeting of Shareholders held on April 22, 2022, it was resolved to approve the directors' remuneration for the year 2022 in the amount of 8,160,000 baht. However, executive directors do not receive remuneration as executives.

Remuneration per month	Board of Directors	Audit Committee	Nomination and	Risk management Committee	Investment Committee	Corporate Governance &
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			Remuneration Committee			Sustainability Committee
Chairman	200,000	100,000	30,000	30,000	30,000	30,000
Director	30,000	30,000	20,000	20,000	20,000	20,000
Executive Directors	-	-	-	-	-	-

In 2022, the company paid directors' remuneration in the total amount of 8,160,000 baht with the following details:

Director's name	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk management Committee	Investment Committee	Corporate Governance & Sustainability Committee	Total
1. Mrs. Kesara Manchusree	2,400,000		-	-	-	360,000	2,760,000
2. Mr. Yao Kok Tong	360,000		240,000	-	-	-	1,800,000
3. Dr. Dhas Udomthamphakdee	360,000	1,200,000.00	240,000	360,000	-	240,000	1,560,000
4. Mr. Udomkarn Udomsup	360,000	360,000.00	360,000	-	360,000	-	1,440,000
5. Mr. Tai Chuan Lin	360,000	360,000.00	-	-	240,000	-	600,000
6. Mr. Dan Pathomvanich	-		-	-	-	-	-
7. Ms. Penhurai Chaichatchaval	-		-	-	-	-	-
8. Mr. Teerapong Lorratchawee	-	-	-	-	-	-	-



Total	3,840,000.00	1,920,000.00	840,000	360,000	600,000	600,000	8,160,000
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Other Remuneration for Directors: - None -

8.1.3 Supervision of Subsidiaries and Associated Companies

The company has established important guidelines for both directly and indirectly supervising the policies and operations of subsidiaries and/or associated companies at the appropriate level for each business and monitor performance in order to effectively maintain investment benefits in accordance with the rules on supervision of the operations of subsidiaries and/or associated companies*. This is in accordance with to the Notification of the Capital Market Supervisory Board Tor Jor 39/2559 (including any amendments) on Application for and Approval of Offer for Sale of Newly Issued Shares and the Stock Exchange of Thailand's regulations on Listing of Ordinary Shares or Preferred Shares as Securities of Thailand ("SET"). The Company sees this policy as an important mechanism leading to a transparent, verifiable management system for providing investment direction and monitoring the business invested in to add value and confidence to the Company's stakeholders, the business for continual and sustainable operations. Measures for supervision of subsidiaries and/or associated companies have been set as follows:

- (1) Mechanisms for supervising management and taking responsibility for operations in subsidiaries and associated companies approved by the directors.

In the event of any transaction or action which is significant or affects the financial position and performance of subsidiaries and/or associated companies, the transaction must be approved by the Board of Directors or the shareholders' meeting (as the case may be) before the the subsidiary and/or the associated company will enter into the transaction or the operation in the board meeting or the shareholders' meeting of the subsidiary and/or the associated company.

In this regard, the Company shall disclose information and comply with the rules, conditions, procedures and methods relating to the matter to be approved as specified in the Public Company Law, Civil and Commercial Code, securities law and other relevant laws, as well as announcements, rules and regulations of the Capital Market Supervisory Board Securities and Securities Exchange Commission and the Stock Exchange of Thailand, mutatis mutandis (to the extent that it is not contrary or inconsistent) completely and accurately

1.1 The following cases of subsidiaries and/or associated companies must be approved by the Board of Directors of the Company:

- (a) Appointing or nominating a person to be a director or executive in subsidiaries and/or associated companies at least in proportion to the Company's shareholding in subsidiaries and/or associated companies. The directors or executives nominated or appointed by the Company have discretion in voting in the Board of Directors' meetings of subsidiaries and/or associated companies on matters relating to general management and normal business operations of subsidiaries and/or associated companies as the director and the executives of subsidiaries and/or associated companies will deem appropriate for the best interests of the Company, subsidiaries and/or associated companies. Exceptions are matters that require approval from the Board of Directors or the Company's shareholders' meeting. The nominated director or executives as specified above must possess qualifications, duties and responsibilities as well as having no untrustworthy characteristics as announced by the Securities and Exchange Commission and the Stock Exchange of Thailand on Determination of Untrustworthy Characteristics of Company Directors and Executives.



- (b) Capital increase by issuing capital increase shares of subsidiaries and share allocation which are not in accordance with the proportion of existing shareholding, including the reduction of the registered capital and/or the paid-up capital of the subsidiaries which is not in accordance with the existing shareholding proportion of the shareholders or any other action which will cause the proportion of direct and indirect voting rights of the subsidiary, regardless of any level, to be reduced by more than 10 (ten) percent of the total number of votes of the subsidiary or paid-up capital of subsidiaries (as the case may be) unless it is in the business plan or annual budget of the subsidiary which has been approved by the Board of Directors of the Company.
- (c) Consideration and approval of annual dividend payment and interim dividends (if any) of subsidiaries and/or associated companies.
- (d) Amendment to the Articles of Association of Subsidiaries and/or Associated Companies except for the amendment of the regulations in significant matters according to Clause 1.2 (a).
- (e) Consideration and approval of annual budgets of subsidiaries and/or associated companies.
- (f) Appointment of auditors of subsidiaries only in the event that such auditors are not in the auditing firm in the same network as the Company's auditors, which is not in accordance with the Company's auditor appointment guidelines that auditors of subsidiaries must be affiliated with the firm in the same network as the Company's auditors.

Items from item (g) to item (o) are considered significant items and if entering into a transaction, will have a significant impact on the financial position and operating results of subsidiaries and/or associated companies, therefore, these must first be approved by the Board of Directors of the Company. The transaction that the subsidiary will enter into is compared with the size of the company (by applying the transaction calculation criteria as specified in the Notification of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand regarding the acquisition or disposition of assets, and/or related transactions and/or amended announcements that are in force at that time (as the case may be) to apply mutatis mutandis) and is in the criteria that must be approved by the Board of Directors, which are as follows:

- (g) In the event that subsidiaries and/or associated companies agree to enter into a transaction with a connected person of a subsidiary/or an associated company or a transaction related to the acquisition or dispose of assets of subsidiaries and/or associated companies.
- (h) Transfer or waiver of benefits including waiver of claims against those who cause damage to subsidiaries and/or affiliates.
- (i) Sale or transfer of the business of all subsidiaries and/or associated companies or some important parts to other persons.
- (j) Purchase or acceptance of transfer of the business of other companies to be the subsidiary and/or associated companies.
- (k) Entering into, amending or terminating contracts relating to the lease of all subsidiaries or important assigning of other persons to manage the business of subsidiaries or the merger of the subsidiary company with another person.
- (l) Renting or hire purchase business or assets of all subsidiaries or some important parts.
- (m) Borrowing money, lending money, giving credit, guaranteeing, committing legal acts that bind subsidiaries to more financial burdens or providing financial assistance in any other manner to other persons and not the normal business of the subsidiary.
- (n) Dissolution of Subsidiaries and/or Associated Companies.



- (o) Any other transactions that are not normal business transactions of subsidiaries and/or associated companies that will have significant impact on subsidiaries and/or associated companies.

1.2 In the following cases, subsidiaries and/or associated companies must seek approval of the shareholders' meeting of the Company before entering into the transaction.

- (a) Amendment to the subsidiary's Articles of Association in matters that may have a significant impact on its financial position and performance, including but not limited, to Amendment to the Articles of Association of a subsidiary that affects the voting rights of the Company at the Board of Directors' Meeting of the subsidiaries and/or the shareholders' meeting of subsidiaries or dividend payment of subsidiaries, etc.

Items from item (b) to item (f) are considered significant items and if entering into a transaction, will have a significant impact on the financial position and operating results of subsidiaries and/or associated companies, therefore, these must first be approved by the Board of Directors of the Company. The transaction that the subsidiary will enter into is compared with the size of the company (by applying the transaction calculation criteria as specified in the Notification of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand regarding the acquisition or disposition of assets, and/or related transactions and/or amended announcements that are in force at that time (as the case may be) to apply mutatis mutandis) and is in the criteria that must be approved by the Board of Directors, which are as follows:

- (b) In the event that subsidiaries and/or associated companies agree to enter into a transaction with a connected person of the Company, the Company, or a transaction related to the acquisition or disposal of assets of subsidiaries and/or associated companies*
- (c) Capital increase by issuing capital increase shares of subsidiaries/or associated companies and share allocation including the reduction of registered capital which is not in accordance with the shareholding proportion of the shareholders or any other action, that, as a result, will affect the proportion of voting rights of the Company both directly and/or indirectly in the shareholders' meeting of subsidiaries/or affiliates in any level to be less than the proportion stipulated in the law applicable to the Company, resulting in the Company not having control over its subsidiaries/or associated companies.
- (d) Any other actions that result in the proportion of voting rights of the Company, both directly and/or indirectly, at the shareholders' meeting of the subsidiary, regardless of any level to decrease to less than ten (10) percent of the total number of votes in the shareholders' meeting of the subsidiary or as a result, the proportion of voting right of the Company, both directly and/or indirectly, at the shareholders' meeting of the subsidiary, regardless of any level, be reduced to less than fifty (50) percent of the total number of votes in the shareholders' meeting of the subsidiary in entering into any transaction that is not a normal business of the subsidiary.
- (e) Dissolution of Subsidiaries and/or associated companies*
- (f) Any other transactions that are not normal business transactions of subsidiaries and/or associated companies and transactions that will affect subsidiaries and/or associated companies significantly.

Appointment of directors or nominating persons to be directors or executives in subsidiaries and/or associated companies including monitoring performance of directors or executives assigned by the company.

- 1. The Company's Chief Executive Officer is responsible for recruiting representative directors and/or representative executives of the Company and submitting the names to the Company's Nomination and Remuneration Committee for



consideration and proposal to the Board of Directors for approval before proposing names to the Board of Directors of subsidiaries and/or associated companies to consider and appoint respectively. This includes the proposal to remove representative directors and/or representative executives to the Board of Directors for consideration before proposing to the Board of Directors of subsidiaries and associated companies* for removal.

2. The Company will monitor and ensure that the directors and executives who have been appointed from the company take the positions of directors and executives in subsidiaries and/or associated companies to comply with the duties and responsibilities of the law, regulations and important operating policies of the Company, its subsidiaries and/or associated companies.
3. The Company's Board of Directors must ensure that its subsidiaries and/or associated companies have internal control systems, risk management system and fraud prevention system including measures to monitor the performance of subsidiaries and/or associated companies that are appropriate in strict compliance with the company's policies and regulations, including laws and capital market regulatory notices, Securities and Exchange Commission and the Stock Exchange of Thailand.
4. The company will proceed to have directors who have been appointed by the company to serve as directors in subsidiaries and/or associated companies attend the meeting and vote as specified by the Company in every Board of Directors' meeting of subsidiaries and/or associated companies to consider agendas that are material to the business of subsidiaries and/or associated companies.
5. The Company will closely monitor the results and operations of subsidiaries and/or associated companies, and present the results of analysis, as well as opinions or suggestions to the Board of Directors and the Board of Directors of the respective subsidiaries or associated companies* to consider setting policies or improving the business of the subsidiaries and/or Associate to ensure continuous development and growth.

Disclosure of Subsidiaries

1. Disclose information about financial status and operating results, any connected transactions as well as the acquisition or disposition of significant assets of subsidiaries to the Board of Directors and executives of the Company completely, correctly and within a reasonable time as specified by the Company.
2. Disclosure and submission of personal interest information and related persons to the Board of Directors for acknowledgment of the relationship and conducting transactions with subsidiaries or companies in a manner that may cause conflicts of interest. The Board of Directors of the subsidiary has a duty to notify such matter to the Board of Directors of the Company within the period specified by the Company for the purpose of making a decision or making any approvals, which the consideration will mainly take into account the overall benefits of the subsidiary.

However, directors and executives of subsidiaries must not participate in the approval of matters in which they have direct/indirect interests or conflicts of interest.

3. The following actions that will result in directors or executives of subsidiaries or a related person of a director or executive of a subsidiary receiving financial benefits other than what would normally be received or causing damage to the Company or its subsidiaries, assuming that it is a significant material conflict with the interests of its subsidiaries:
 - a. Transactions between the Company and/or its subsidiaries and directors or executives of subsidiaries or related persons of directors or executives of subsidiaries which is not in accordance with connected transactions rules.



- b. The use of acquired information on the Company or its subsidiaries unless it is publicly available information.
- c. Use of assets or business opportunities of the Company and/or its subsidiaries in a manner that violates the rules or general practices as specified in the notification of the Capital Market Supervisory Board.
- 4. Provide business plan report, business expansion, large investment project as approved by the Company, downsizing, termination of business, cessation of operations of the agency, as well as clarifications and/or supporting documents for the consideration of the aforementioned cases upon the Company's request.
- 5. Clarify and/or deliver information or documents relating to the operation to the Company upon request as appropriate.
- 6. Clarify and/or submit relevant information or documents to the Company in case the Company detects any significant issues.

Transactions of Directors, Executives or Related Persons of Subsidiaries and/or associated companies*

Directors, executives or related persons of the Company and/or its subsidiaries will conduct transactions with the Company and/or its subsidiaries upon the approval of the transaction by the Board of Directors of the Company and/or the Board of Directors of its subsidiaries and/or shareholders' meetings of the Company and/or shareholders' meetings of subsidiaries (depending on the case) depending on the calculated transaction size (based on the criteria for calculating the size of the transaction as specified in the Notification of the Capital Market Supervisory Board and the announcement of the Board of Governors of the Stock Exchange of Thailand on connected transactions and/or the amended announcements in force at that time shall apply, mutatis mutandis). Unless it is a transaction that is a commercial agreement in the same manner that a reasonable person would do with a contractual party in general in the same situation with commercial bargaining power without the influence of their status as a director, executive or related person (as the case may be) and is a commercial agreement approved by the Board of Directors of the Company or in accordance with the principles already approved by the Board of Directors.

In the control of financial aspects of subsidiaries and/or associated companies, the Company has a policy for subsidiaries and/or associated companies to implement policies as follows:

- (a) Subsidiaries and/or associated companies are responsible for submitting monthly operating results and quarterly reviewed financial statements (if any) as well as information supporting the preparation of such financial statements of subsidiaries and/or associated companies and/or associated companies* to the Company, together with consenting to the Company for use of such information to support the preparation of consolidated financial statements or report on the company's quarterly or annual results (depending on the case) ;
- (b) Subsidiaries and/or associated companies are responsible for budgeting performance and a quarterly comparison of the performance according to the actual operational plan, ensuring that operating results are in line with the plan in order to report to the Company. Subsidiaries are obligated to report significant operational and financial issues to the Company upon detection or upon request from the Company, and ready to deliver related information or documents upon request, as appropriate.

Use of information within subsidiaries

Directors and executives and/or its subsidiaries, employees, employees or assignees of the Company and/or its subsidiaries including spouses and minor children of such persons are prohibited from using inside information of the Company and/or its



subsidiaries, whether from the performance of duties or in any other way, that has or may have a significant effect on the Company and/or its subsidiaries for the benefit of oneself or others either directly or indirectly and whether or not it will be rewarded.

Review of the operating governance policy of subsidiaries and associated companies

The company will review this policy annually by having the Corporate Governance and Sustainability Committee considers improvements and amendments prior to submission to the Board of Directors for approval.

In the past, nominations and exercise of voting rights to appoint persons as directors in subsidiaries and associated companies are conducted by the management. From 2020 onwards, the Company has set a procedure for nomination and voting rights that must be approved by the Board of Directors. The person who is appointed as a director in a subsidiary or associated company has a duty to work for the best interest of that subsidiary or associated company (not for the Company) and the person appointed must receive approval by the Board of Directors before voting or exercising the right to vote on important matters at the same level that requires approval from the Board of Directors if it were Company's activities. The appointment of directors to be representatives in such subsidiaries or associated companies is in accordance with the Company's shareholding proportion.

In addition, in the case of a subsidiary, the company has set regulations for the person appointed by the Company to ensure that the subsidiary has regulations on connected transactions, acquisition or disposition of assets or any other important transactions of such companies that are complete and correct. Rules related to the disclosure of information and the above transactions must be adhered to in the same manner as the Company's, including the need to supervise the storage of information and accounting records of subsidiaries for the Company to audit and prepare the consolidated financial statements on time as well. All connected transaction must be approved by the Board of Directors.

The Company has considered sending 3 executives that have been approved by the Nomination and Remuneration Committee to be directors in every subsidiary company. In the case that the executive has to end his term as director in the subsidiary, the Company will consider sending a person to take care of the benefits from time to time. The Company has set a policy for important transactions such as connected transactions, acquisition and disposition of assets and disclosure and has stipulated such policies for regulating operations of subsidiaries and/or affiliated companies as well.



Summary of the Shareholders' Agreement

1) Shareholder Agreement of Investment in Nutra Regenerative Protein Co., Ltd.

Counterparties	<ol style="list-style-type: none"> NOVE Foods (a subsidiary in which the Company holds 100% of shares) Innobic (Asia) Company Limited or Innobic
Purpose of the contract	Contract between Nove Foods Co., Ltd. and Innobic (Asia) Co., Ltd. to jointly establish Nutra Regenerative Protein Co., Ltd. (NRPT) to invest in a plant-based food factory to be the center of production and distribution throughout the ASEAN region.
Contract signing date	9 August 2021
Stake	<ul style="list-style-type: none"> NOVE Foods holds 50% of NRPT's total shares. Innobic holds 50% of the total shares of NRPT.
Conditions after investment	<ul style="list-style-type: none"> NRPT will jointly invest in PBB Thailand (a joint venture of Plant and Bean Limited) in the United Kingdom to establish a plant-based food factory in Thailand



<p>Key terms in the administration</p>	<ul style="list-style-type: none"> ● NRPT consists of 6 directors, with NOVE Foods and Innobic having the right to nominate a maximum of 3 persons to be appointed as directors. ● The right to appoint a chairman will alternate between NOVE Foods and Innobic. NOVE Foods and Innobic will take turns having the right to appoint a chairman every 3 years, with Innobic having the right to appoint a chairman in the first 3 years. ● In a meeting of the Board of Directors, at least 4 directors must be present at the meeting, which must consist of at least one director each appointed by NOVE Foods and Innobic to constitute a quorum. ● Resolutions at the Board meeting must be passed by a majority vote of all directors attending the meeting. At least one vote each must come from the directors appointed by NOVE Foods and Innobic. ● Authorized directors of NRPT consist of 2 directors from NOVE Foods and Innobic, each signing together to seal the company's seal. ● NOVE Foods appoints Chief Executive Officer ● Chief Financial Officer is appointed by Innobic. ● NOVE Foods will use plant-based production technology and technology developed from the original technology in its NRPT factories. Properties right both before and after investment remain NOVE Foods'. ● All plant-based protein production technologies developed by NRPT without the use of NOVE Foods technology are proprietary to NRPT. ● Innobic and NOVE Foods will distribute NRPT-produced products in stores under their respective companies, such as Cafe Amazon and convenience store Jiffy. ● Innobic or NOVE Foods may nominate the appointment of a Marketing Specialist to oversee NRPT marketing. The Marketing Specialist may be appointed or removed by the Board of Directors.
<p>Shareholder's meeting</p>	<ul style="list-style-type: none"> ● In a shareholders' meeting, there must be at least 51 percent of the total number of shares held by shareholders. ● Shareholders' resolutions must receive a majority vote of all shareholders, by more than 75 percent of the total number of shares.



Restrictions on Transfer of Shares	<p>Unless otherwise specified in the contract, NOVE Foods or Innobic may not sell, transfer or pledge all or part of the shares under this contract to a third party, unless prior written consent has been obtained from the other shareholder.</p> <p>NOVE Foods or Innobic who wish to sell or transfer shares in NRPT must allow the other shareholder to purchase such shares first (Pre-emptive rights) and if the other shareholder does not exercise their rights within the period time specified in the offer, which must not be less than 20 working days from the end date of such offer, the party wishing to offer shares can sell such shares to a third party within 60 business days from the date of the said offer, provided that the price and terms of the sale of shares to third parties must be comparable or better than those offered to other shareholders.</p>
Non-compete agreement	<ul style="list-style-type: none"> • NOVE Foods, Innobic, its related persons or persons under control of either shareholder agree not to conduct business that competes with the business of NRPT group companies worldwide. • NOVE Foods and Innobic agree not to do business with plant-based products or denatured products from plants which is in competition with the business of companies in ASEAN, including Thailand, Australia and New Zealand.
The right to compel the purchase of shares (Tag Rights)	<p>In the event that either party of NOVE Foods or Innobic wishes to sell all of its shares to a third party after the expiration of 3 years from the date of investment in NRPT, the other party's shareholders have the right to choose to offer their shares to an outside individual under the same conditions. The third party who wishes to purchase such shares must buy shares of both parties to make the sale of shares complete.</p>
Governing Law	Thai law

2) Shareholder Agreement of Investment in Plant and Bean Ltd (P&B)

Counterparties	<ol style="list-style-type: none"> 1. Plant and Bean Limited (P&B) 2. Nove Foods Limited (NFC) 3. The Brecks Company Limited (Brecks)
Purpose of the contract	Share purchase and shareholder agreements to manage P&B in the manufacture, sale and distribution of meat-free food products or meat analogue products.
Contract signing date	17 December 2019 and amended on 10 May 2020



Stake	<p>NFC will purchase 50% of P&B's shares in two parts as follows:</p> <ol style="list-style-type: none"> Subscription of newly issued shares of 25% of the total number of shares of P&B (First Partner) will be made upon completion of the conditions precedent under the Agreement. Such conditions precedent must be completed on or before May 12, 2020 or any other date to be agreed upon by the parties in writing. The purchase of an additional 25 percent of P&B's shares through (a) the subscription of P&B's Capital Increase Shares and (b) purchase of Brecks shares (Second Partner) which P&B will purchase upon completion of the conditions precedent before the completion of the contract. However, such conditions precedent must be completed before or within 13 months from the subscription date for the first partner according to clause 1. above or any other date as agreed upon by the contracting parties in writing. <p>However, after completing the purchase of shares in Part 2, the shareholding ratio in P&B will be as follows:</p> <ul style="list-style-type: none"> NFC holds 50% of P&B's total shares. Brecks holds 50 percent of P&B's total shares.
Conditions Precedent for Additional Investment in Second Major Partnership	<ul style="list-style-type: none"> The first partner investment is complete. P&B earnings before interest, taxes, depreciation and amortization (EBITDA) reports are prepared and submitted to NFC in a timely manner. If EBITDA, as reported to NFC, is below £1 million, the share price for the second partner will be reduced in proportion to the lower EBITDA, with a maximum reduction of 75%, unless P&B can sell its newly issued ordinary shares to new investors at a pre-money value of more than \$100 million by June 12, 2021. If EBITDA, as reported to NFC, is greater than or equal to £1 million, the share price for the second partnership will not be adjusted.
Key terms in the administration	<ul style="list-style-type: none"> The P&B Board consists of up to four directors, with the NFC and Brecks each having the right to nominate two directors. The rights to appoint a chairman alternate between NFC and Brecks, with NFC and Brecks taking turns having the right to appoint a chairman every 2 years. At a meeting of the Board of Directors, there must be at least 2 directors attending the meeting, which must consist of at least one director appointed by NFC and Brecks to constitute a quorum.



	<ul style="list-style-type: none"> Resolutions at Board meetings must be passed by a majority vote of all directors attending the meeting. It must consist of at least one vote each from the directors appointed by the NFC and Brecks.
Shareholder's meeting	<ul style="list-style-type: none"> At the shareholders' meeting, there must be at least 2 shareholders attending the meeting, which must consist of at least one from NFC and one from Brecks in order to constitute a quorum. Shareholders' resolutions must receive a majority vote of all shareholders except for voting on important matters as required by law or as the contract requires a written resolution from all shareholders of P&B.
Restrictions on Transfer of Shares	<p>Unless otherwise specified in the contract, NFC or Brecks may not sell, transfer or pledge all or part of the shares under this contract to a third party. unless prior written consent has been obtained from the other shareholder.</p> <p>NFC or Brecks who wish to sell or transfer shares in P&B must allow the other shareholder to purchase such shares first (Right of First Refusal) and if the other shareholder does not exercise the right within the period specified in the offer which must not be less than 10 working days from the date of receiving such offer, the party wishing to offer shares can sell such shares to a third party within 60 business days from the date of the said offer provided that the price and terms of the sale of shares to third parties must be comparable or better than those offered to other shareholders.</p>
Non-compete agreement	<p>NFC Brecks, any related person or person under control of any shareholder agrees not to conduct business that competes with, or is likely to compete with, the P&B group of companies, subject to the terms set forth in the Agreement, until the end of the ownership of shares in P&B in 3 years.</p>



Termination of contract	<ul style="list-style-type: none"> • The conditions precedent for the purchase of the first partnership are not completed or not waived by May 12, 2020 or any other date to be agreed upon by the parties in writing. • NFC or Brecks are in breach of the representations stipulated in the contract prior to the completion of the conditions precedent for the purchase of the second partnership. The other shareholder can then have the right to terminate the contract in writing. • NFC fails to comply with the agreement regarding the promised payment within 60 days of the date the second partnership deal was supposed to be completed. Brecks has the right to terminate the contract in writing. • NFC or Brecks did not fulfill the essential terms of the contract and cannot remedy the issue within 20 business days from the date of receipt of a letter from the non-breaching shareholder requesting rectification of material breaches of the agreement and such breach of contract will have a negative impact on P&B's business or inability to continue doing business. • P&B dissolves the company • The same person becomes a direct or indirect shareholder of NFC and Brecks. • The parties agree to terminate the contract. • NFC or Brecks ended ownership in P&B.
The right to compel the purchase of shares (Tag Rights)	In the event that either NFC or Brecks holds more than 50% of the total shares of P&B (majority shareholder) and if the majority shareholder wishes to sell some shares to a third party after the 5 year maturity from the acquisition of NFC's first partner according to the specified conditions, the other shareholder has the right to sell their shares in the P&B to a third party under the same conditions. The details and conditions are as specified in the contract.
Governing Law	British law

3) Shareholder Agreement of Investment in the Company Indeem Group Co., Ltd.

Counterparties	<ol style="list-style-type: none"> 1. NRF Consumer Company Limited or NRFC (Subsidiary where Company holds 100.0% of shares) 2. Indeem Group Co., Ltd.
Purpose of the contract	Share purchase agreement and agreement between shareholders to manage Indeem Group Co., Ltd. in the business of distributing products in the skincare product group, dietary supplement, product group, and consumer goods group in a network (Multi-level Marketing or "MLM") or Network Marketing.
Contract signing date	31 August 2021



Stake	<p>NRFC will acquire shares in Indm Group Co., Ltd. in the proportion of 51 percent of the total shares of Indeem Group Co., Ltd.</p> <ul style="list-style-type: none"> NRFC holds 50% of the total shares of Indeem Group Co., Ltd. Existing Shareholders Holds 50% of the total shares of Indeem Group Co., Ltd. Existing shareholders consist of 1) Mr. Sompob Pansri, 2) Mr. Rawipat Raweepaophong and 3) Mr. Akarat Nitipon.
Key terms in the administration	<ul style="list-style-type: none"> The Board of Directors of Indeem Group Co., Ltd. consists of 2 directors, NRFC and the existing shareholders of Indeem Group Co., Ltd. have the right to nominate one person for appointment as director. At a meeting of the Board of Directors, at least 2 directors must be present. The NRFC must appoint the Chairman of the Board of Directors of Indeem Group Co., Ltd., who must hold the position of chairman in every Board meetings and shareholders' meetings. The chairman of the board will not have a casting vote. Resolutions at the Board meeting must be passed by a majority vote of all directors attending the meeting. Each director has the right of 1 vote.
Shareholder's meeting	<ul style="list-style-type: none"> In the shareholders' meeting, there must be shareholders holding shares of at least 50 percent of Indeem Group Co., Ltd. attending the meeting in person or as proxy. One NRFC shareholder must be present. Shareholders' resolutions must receive a majority vote of all shareholders except for voting on important matters as required by law.
Restrictions on Transfer of Shares	<p>Shareholders of Indeem Group Co., Ltd. may not sell, transfer or pledge all or part of their shares under this agreement to third parties without the consent of the Board of Directors unless prior written consent has been obtained from the shareholders.</p>
Governing Law	<p>Thai law</p>

4) Shareholder Agreement of Investment in Botany Petcare Co., Ltd.

Counterparties	<ol style="list-style-type: none"> City Food Co., Ltd. or "CTF" (a subsidiary in which the Company holds 100% of shares) Botany Petcare Company Limited or "BPC"
Purpose of the contract	<p>An agreement between shareholders to manage Botany Petcare Co., Ltd. in the business of original equipment manufacturer (OEM), marketing, distribution and wholesale of food and pet treats.</p>



Contract signing date	28 September 2021
stake	<p>City Food Co., Ltd. will acquire shares in Botany Petcare Co., Ltd. in the proportion of 66.7% of the total shares of Botany Petcare Co., Ltd. City Food Co., Ltd. has to pay for 360,000 shares at a price of 36.0 million baht</p> <ul style="list-style-type: none"> ● City Food Co., Ltd. holds 66.7% of the total shares of Botany Petcare Co., Ltd. ● Existing Shareholders holds 33.3% of the total shares of Indeem Group Co., Ltd. <p>- The existing shareholders consist of 1) Mr. Sanit Suparatsombat 2) Mrs. Wipaporn Jamnilkul 3) Mr. Sirichai Chuduang 4) Miss Thitima Poonpanchai 5) Mr. Thanawat Chairanarit 6) Mrs. Sunantane Thop Sawang 7) Ms. Rujida Pornchantrakul and 8) Mr. Padungsak Changjai</p> <p>- The major shareholders consist of 1) Mr. Sanit Suparatsombat 2) Mrs. Wipaporn Jamnilkul 3) Mr. Sirichai Chuduang 4) Ms. Thitima Poonpanchai 5) Mr. Thanawat Chairanarid</p>
Right to lease and purchase assets agreement	<ul style="list-style-type: none"> ● Botany Petcare Co., Ltd. has to lease land, factories, buildings and utilities at Ratchaburi at the rental rate agreed between Botani Petcare Co., Ltd. and City Food Co., Ltd. ● Botany Petcare Co., Ltd. has an option agreement to purchase the assets mentioned above if performance targets can be achieved for 36 months from the start date of the agreed-upon rights contract. If the target cannot be achieved, Botany Petcare Co., Ltd. can extend the expiration of the contract for 1 year 2 times, where the price of such assets will be determined by fair value or the price agreed by the two parties.
Share Option Agreement	<ul style="list-style-type: none"> ● Both Mr. Wut Krueanamkum and Mr. Kasem Jamnikul (“Management”) have the right to purchase 5.0% of the paid-up capital of Botany Petcare Co., Ltd., which is issued by capital increase. At the par value (Par Value) if Botani Petcare Co., Ltd. can achieve the target for the 12-month performance. ● If Botany Petcare Co., Ltd. is unable to meet its 36-month performance targets, City Food Co., Ltd. has the right to purchase 10.0 shares of Botany Petcare Co., Ltd.'s paid-up capital from the executives and/or major shareholders mentioned above at a price lower than the par value or book value on the exercise date.



Key terms in the administration	<ul style="list-style-type: none"> Both parties agree that Mr. Wut Krueanamkum and Mr. Kasem Chamnikul (the “Executives”) shall be the CEO and COO respectively both of whom must have a contract of employment with contract conditions prohibiting trade competition with employers and contracts prohibiting headhunting employees to work with competitors for 1 year after the end of the contract. The Board of Directors of Botany Petcare Co., Ltd. consists of 2 directors whereby NRFC and the existing shareholders of Botany Petcare Co., Ltd. have the right to nominate one person for appointment as director. However, if the number and/or structure of the Board of Directors is changed, the right to appoint a director will be adjusted in proportion to the shareholding. At a meeting of the Board of Directors, at least 2 directors must be present. Resolutions at the Board meeting must be passed by a majority vote of all directors attending the meeting. Each director has the right to 1 vote in case of equal votes. The chairman of the board will not have a casting vote.
Shareholder’s meeting	<ul style="list-style-type: none"> In the shareholders' meeting, there must be shareholders holding shares of at least 50% of Botany Petcare Co., Ltd. attending the meeting in person or proxy. There must consist of at least 1 shareholder from City Food Co., Ltd. Shareholders' resolutions must receive a majority vote of all shareholders except for voting on important matters as required by law.
Restrictions on Transfer of Shares	Shareholders of Botani Petcare Co., Ltd. may not sell, transfer or pledge all or part of the shares under this agreement to third parties. without the consent of the Board of Directors Unless prior written consent has been obtained from the shareholders.
Governing Law	Thai law

5) Shareholders Agreement of Investment in Boosted NRF Co., Ltd.

Counterparties	<ol style="list-style-type: none"> NRF Consumer Company Limited (“NRF Consumer” or “NRFC”) Boosted Commerce Inc.¹⁴ (“Boosted”) (US company)
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¹⁴ Boosted is a company based in the United States. (<https://boostedcommerce.com/>) which is a startup that was just established on December 26, 2019 by investors and executives with experience and expertise in investment and business management for the purpose of investing in businesses already selling on the Amazon e-commerce platform (Amazon third-party sellers). Boosted plans to invest in approximately 100 diversified ecommerce businesses and brands to create the world's largest consumer goods company of the future



Objectives of the Agreement	NRFC intends to invest in Boosted by acquiring Series A-1 Preference Shares issued by Boosted. This Agreement is a preliminary agreement without binding condition between the parties unless agreed otherwise.
Agreement	<p>The key terms of the agreement are as follows:</p> <p>1. The purchase price is \$0.84 per share (par value of \$0.001).</p> <p>The preferred shares that NRFC will subscribe to have the following key terms and conditions.</p> <p>a) NRFCs are entitled to convert their preference shares to ordinary shares of Boosted at a ratio of 1:1, unless there is a change in such ratio as a result of a stock split, issuance of stock dividends, or Boosted's debt restructuring based on the calculation method set forth in the Terms and Conditions on Preferred Shares.</p> <p>b) NRFC will receive the investment back according to the rates and conditions to be mutually agreed upon by the parties.</p>
Governing Law	Delaware state law, United States

8.1.4 Monitoring to ensure compliance with corporate governance policies and guidelines

The Company places importance on good corporate governance. Relevant policies and guidelines have been established in the Company's corporate governance policy as well as promoting real practice to build confidence among all groups of stakeholders.

In the past year, the Company has followed up to ensure compliance with good corporate governance in the following: 1) employee care and non-discrimination 2) anti-unfair competition 3) environmental care, health and safety in the organization 4) Information security. The results of the follow-up showed that the Company has completely followed the guidelines in each issue.

In addition, the Company has to follow up to achieve compliance with good corporate governance in 4 other issues as follows:

(1) Prevention of conflicts of interest

The Company has established a policy that the Board of Directors, executives and employees must perform their duties for the best interest of the Company. In the event that any person has an interest or is involved in the item being considered, such person must notify the Chief Operating Officer who supervises such matters and does not participate in the consideration of such transactions.

In the past year, the Company has examined cases that may cause conflicts of interest, with the following conclusions:

- The auditor has examined the Company's transactions with partners. It was found that there was no transaction related to the Executive Board and employees of the company.

(2) Using inside information to seek benefits

- The Company has required directors, executives and employees to sign an acknowledgment of relevant announcements of the Office of the SEC requiring directors and executives to report changes in their securities holdings to the Office of the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the date of change in securities holding. The Company secretary must

(The Modern Procter & Gamble) within 4 years and plans to be listed on one of the stock exchanges in the future. Boosted currently invests in about 6 brands and In the process of investing in other brands.



also be notified to acknowledge the record of changes and summarize the final number of securities of directors and executives individually to present to the Board of Directors at the next meeting.

- The Company has a regulation prohibiting the use of financial statement information or other information that affects the stock price of known company disclosure to outsiders or unrelated persons and not to trade securities within 1 month before the financial statements or other information that affects the stock price of the company / group of companies will be released to the public. It is also prohibited to trade the Company's securities until after the 24-hour period has elapsed after all such information has been disclosed to the public.

In the past year, it was not found that directors and executives traded securities during the period that the company suspend trading.

(3) Anti-corruption

The Company operates its business by giving importance to anti-fraud and corruption and adhering to morality, ethics, and managing with transparency, and responsible to all stakeholders. The Company therefore has prepared “Anti-Fraud and Corruption Policy” in writing approved by the Board of Directors Including preparing guidelines and setting procedures for anti-fraud and corruption in all forms. This policy is disseminate to internal and external stakeholders through announcements within the company, through the company's website and email in order to carefully conduct business that may have fraud and corruption risks, keeping in mind prevention and protection from fraud and corruption in all forms, both directly and indirectly under the theme that “Fraud and corruption are unacceptable in both public and private transactions.”

The Anti-Fraud and Corruption Policy is applicable to personnel at all levels. All directors, executives and employees, as Company personnel, must comply with this policy, as well as business ethics. No one must be involved in fraud and corruption both directly and indirectly for the benefit of the Company, oneself, one's family and one's acquaintances. The Company encourages its subsidiaries, associates, joint ventures, joint ventures and business partners to adopt the Anti-Fraud and Corruption Policy as a guideline as well.

To ensure that the Company's operations is efficient, transparent, free from fraud and corruption, in 2022, the company has organized training courses on the Roles of Executives and Employees in Anti-corruption (CAC Training) for employees and executives to enhance their understanding and good practices in preventing all forms of fraud and corruption that may occur to the organization. The training is done on-site consisting of a lecture format with activities to increase understanding of the content, with Mr. Pana Rattanabanangkul Director of the Thailand Private Sector Collective Action Against Corruption (CAC) as the Keynote lecturer.

In 2022, the Company has been evaluated and certified by the Thailand Private Sector Collective Action Against Corruption (CAC) on 31 December 2022, reflecting its commitment to anti-fraud and corruption. This will also result in increased immunity for the organization and employees, more effective operation control and reduced risk and opportunity of fraud and corruption. The Company sincerely hopes that this advancement of fraud and corruption risk prevention system will become an important foundation for the business sector and extend to business partners in the future.

In addition, as part of the orientation of new employee, the Company has added anti-fraud and anti-corruption topics to lay a foundation of good practice for employees from the first day of work. This includes announcing the guidelines to all employees for reporting complaints safely, and confidentially, protecting whistleblowers if they report suspicion that fraud or corruption has occurred to the Company through channels specified in “Fraud and Corruption Complaint Policy”. The Company has “no” complaints against fraud and corruption in the past year.

Details of the Anti-Fraud and Corruption Policy can be viewed here, and the policy to receive complaints of fraud and corruption including other related practices at <https://www.nrinstant.com/en/corporate-governance/anti-corruption/anti-corruption-policy>

(4) Whistle Blowing

The company has opened channels for stakeholders to report clues and make complaints through the channels provided by the company as follows:

- Website: [www.nrinstant.com/Corporate Governance Policy/Whistleblowing](http://www.nrinstant.com/Corporate%20Governance%20Policy/Whistleblowing)
- E-mail: comsec@nrinstant.com

The Audit Committee is independent from the management and has the Human Resources Department to screen such clues and complaints. In this regard, informers or complainants and those who cooperate in the fact-checking or investigation is protected by not anonymity without any name/address/image or any other information that can identify that person. All information is kept confidential, with safety in mind and the need to protect informants or whistleblowers or complainants or those who cooperate in the fact-checking and investigation from possible damage.

In the past year there has been no whistleblowing or complaints.

Guidelines on supervision and supervision to prevent and monitor fraud risks

The Company has established guidelines for regulating and supervision to prevent and monitor fraud and corruption risks, which can be summarized as follows:



- a. Provide a verification process, evaluate the internal control system and risk management covering key work systems such as sales and marketing systems procurement, contract preparation, accounting system, payment system, etc., in order to prevent and monitor the risk of fraud and corruption including giving suggestions on appropriate solutions.
- b. Provide channels for receiving information, clues or complaints of violations of action or business ethics of the Company, or guidelines for preventing involvement in corruption or suspicion of financial reporting or a control system to inspect and determine the Company's disciplinary action and/or relevant laws in the event that the whistleblower or complainant can be contacted, the Company will notify the result of the action in writing.
- C. Heads of relevant departments are responsible for monitoring operations, correcting mistakes (if any) and reporting them to authorized persons respectively.

Guidelines for monitoring and evaluating compliance with guidelines for preventing involvement in corruption

The Company has established guidelines for monitoring and evaluating the implementation of the guidelines for preventing involvement in corruption as follows:

- a. Executives and employees are required to do a self-assessment on compliance with the good corporate governance and business ethics handbook set by the company, which includes the good corporate governance policy, Company business ethics, ethics on supporting anti-fraud and anti-corruption action, guidelines for preventing involvement in corruption and ethics/behaviours of employees regularly.
- b. Establish an internal audit department responsible for auditing the internal control system, risk management, corporate governance, and continually provide feedback. The audit is carried out in accordance with the annual audit plan approved by the audit committee and significant audit results and recommendations are to be reported to the Audit Committee.
- C. The Risk Management Department and Internal Control Department are responsible for continuous testing and assessment of fraud and corruption risks. To ensure effective implementation of anti-fraud and anti-corruption measures as well as regularly monitor, review and improve these measures. The evaluation results are presented to the Risk Management Committee and reported to the Board of Directors respectively in a timely and regular manner.
- D. If the fact-finding investigation reveals that the information from the audit or complaints shows reasonable grounds to believe that there is a report or action that may have a significant impact on the financial position and performance of the Company, including illegal actions or violation of business ethics or guidelines for preventing involvement in corruption, or suspicion of financial reporting or internal control system, the Audit Committee will report to the Board of Directors to make improvements within the period that the Audit Committee deems appropriate.

The Company will communicate the guidelines for preventing involvement in corruption and disseminate it through various channels such as the Internet of the group of companies and on the company's website. This is for all executives and employees to acknowledge and comply with.

8.2 Audit Committee Performance Report



Audit Committee Report 2022

The Board of Directors appointed the Audit Committee, consisting of 3 independent directors and one member of the Committee has knowledge or experience in accounting or finance, and continuously acknowledges the changes in financial reports. The Audit Committee has the responsibilities to supervise, review the separated and the consolidated financial statements of the Company and its subsidiaries on quarterly and annually basis, monitor the internal control system, oversee the internal audit, review related party transactions, ensure the compliance in accordance with relevant laws and regulations in order to promote good corporate governance together with considering the appointment and service fee of the external auditor. The details of the Audit Committee meeting are as follows:

Name	Position in the Audit Committee	Meeting attendance in 2022
Mr. Yeo Kok Tong	Chairman	5/5
Mr. Udomkarn Udomsap	Member	5/5
Dr. Dhas Udomdhamabhakdi ¹⁾	Member	5/5

¹⁾ Director who has knowledge or experience in accounting or finance

The Audit Committee has performed its duties in accordance with charter and the scope of authority as assigned by the Board of Directors. In the year 2022, the Audit Committee held total of 5 meetings to consider the company's important matters as follows:

1. Oversighted financial reports and reviewed quarter and annual of separated and consolidated financial statements of the Company and its subsidiaries. The Committee had quarterly meetings with external auditor and the management and also held an exclusive meeting once a year with the external auditors in the absence of the management to review the scope and audit plan and obtain information on important matters in the preparation of the financial statements. The external auditor could perform and exercise their duties independently and fairly in accordance with the auditing standards. The internal control systems and process of preparation of financial reports were sufficiently and appropriately to provide reasonable assurance that the financial statements were prepared in compliance with accounting standards and pertained to the Company's business operations. Information was also sufficiently disclosed in a timely manner.
2. Reviewed the process and internal control system. The Committee appointed ASV & Associates Limited as an internal auditor. The Committee concluded that the internal control system of the Company was adequate and appropriate for the Company's business operations as well as in compliance with the standards of the Securities and Exchange Commission and the Stock Exchange of Thailand.
3. Reviewed and approved annual internal audit plan to ensure appropriateness and adequacy, as well as approved the service for the internal audit for the year 2022.
4. Reviewed the related party transactions or transactions with potential conflicts of interest for the year 2022 and ensured that those related party transactions or transactions with potential conflicts of interest adhered to the principles of accuracy through a transparent approval process as well as aligned with the rules and regulations of the Security and Exchange Commission and the Stock Exchange of Thailand before submitting to the Board of Director for approval.
5. Reviewed the Delegation of Authority of the Company in order to facilitate the process and increase flexibility of the Company.
6. Reviewed and revised the anti-fraud and corruption policy, and whistleblowing policy to put in place effective deterrence mechanism to minimize the chances of occurrence of fraud and corruption and firmly provide assurance that business misconduct or other wrongdoing is being reported.



7. Reviewed the submission of the Thai Private Sector Collective Action against Corruption (CAC) certification of the Company as well as audited the self-assessment form and the supporting documents prior to submit to CAC.
8. Monitored the record of fraud cases and provided proper recommendations.
9. Reviewed and revised the structure of Compliance and Internal process Department.
10. Reviewed the conditions and arrangement of business transactions and investments as well as reviewed the qualification of the Independent Financial Advisor (IFA), legal, financial and tax due diligent provider candidates in order to ensure the appropriateness and compliance with relevant rules and regulations for utmost benefits to all stakeholders.
11. Nominated the external auditor and determined its audit fee by considering its competencies, independence, and knowledge of the business. The Committee proposed to the Board of Directors to endorse the appointment one of the auditors as below to be the Company and it subsidiaries' external auditor for the fiscal year 2022 before submitting to the shareholders' meeting for approval
 - Ms. Sineenart Jirachaikhuanthan, CPA Registration No. 6287 and/or
 - Mr. Termphong Opanaphan, CPA Registration No. 4501, and/or
 - Mr. Khitsada Lerdwana, CPA Registration No. 4958, and/or
 - Ms. Manee Rattanabunnakit, CPA Registration No. 5313
12. Acknowledged the Company's operating results for the year 2022
13. Reviewed the Audit Committee charter and performed self-assessment.

The Audit Committee has performed its duties as assigned with prudence, transparency, fairness and independence in accordance with good corporate governance principles to give confidence and best interests to all stakeholders.



(Mr. Yeo Kok Tong)

Chairman of the Audit Committee

27 February 2023



8.3 Summary of performance of other sub-committee

Nomination and Remuneration Committee Report 2023

The Board of Directors (“the Board”) appointed the Nomination and Remuneration Committee, consisting of 3 Independent directors, to deliberate on policy and criteria applicable to the screening, selection, and nomination of qualified persons to serve as Company’s directors including to determine remunerations and benefits of the Company’s directors and to evaluate the performance and remuneration of the Chief Executive Officer in accordance with transparency and good corporate governance principles. The details of attendance by the Nomination and Remuneration Committee are as follows:

Name	Position in the Nomination and Remuneration Committee	Meeting attendance in 2022 (8 times)
Mr. Udomkarn Udomsab	Chairman (Independent Director)	8/8
Mr. Yeo Kok Tong	Member (Independent Director)	8/8
Dr. Dhas Udomdhammabhakdi	Member (Independent Director)	8/8

In 2022, the Nomination and Remuneration Committee had 8 meetings to perform the duties and responsibilities with care and independency as assigned by the Board of Directors as follows:

1. To consider qualified persons to be the Company’s directors by qualifications, experience, and knowledge that will be beneficial to the Company’s business operations in replacement for those retiring directors by rotation. In 2022, there were 3 directors retiring by rotation. The directors who retired by rotation were qualified and knowledgeable persons so that the Nomination and Remuneration Committee proposed to re-elect 3 retiring directors as the Company’s directors for another term to the Board of Directors for endorsement to the Annual General Meeting of Shareholders for consideration.
2. To consider and evaluate the performance and remuneration of the Board of Directors and sub-committees. The remuneration was in line with the obligations and responsibilities which are in comparison to general practices in the industry.
3. To consider succession plan for all C-Level and key positions.
4. To consider and review 2022 KPI of all C-Level.
5. To consider and scrutinize the qualifications of subsidiaries’ directors and key positions candidates.
6. To consider amendment of Human Resources Policy to ensure good practices.
7. To consider amendment of Chief Executive Officer’s roles and responsibilities to reflect ambition to promote anti-fraud and corruption throughout the Company.
8. To review and amend Nomination and Remuneration Committee Charter for better understanding and strengthening good corporate governance practices.
9. To consider and scrutinize the new organization chart for the group and propose for the Board of Directors for approval.
10. To consider leadership development plan for the Company’s executives.
11. To consider and scrutinize 2022 bonus and 2023 annual salary increasing for executives and employees of the Company and endorse to the Board for approval.

The Nomination and Remuneration Committee performed its duties as assigned with prudence, transparency, fairness, and independence in accordance with good corporate governance principles for the best interests of the Company and all stakeholders.

A handwritten signature in blue ink, appearing to be 'Udomkarn Udomsab', written on a light blue rectangular background.

(Mr.Udomkarn Udomsab)

Chairman of Nomination and Remuneration Committee

22 February 2023



Risk Management Committee Report 2023

The Board of Directors has appointed the Risk Management Committee to be responsible for setting risk management policies, supervise the implementation of the risk management policy approved by the Board of Directors and continuously develop the risk management framework to make risk management a culture of every worker. In addition to helping the company achieve the main objectives and goals, the Risk Management Committee also supports various departments within the company to operate efficiently and manage risks under the same standards and guidelines. In 2022, the details of the meeting attendance of the Risk Management Committee were as follows:

Name	Position in the Risk Management Committee	Meeting attendance (4 times)
Dr. Dhas Udomdhammapakdee	Chairman (Independent Director)	4/4
Mr. Dan Pathomvanich	Member	4/4
Mr. Teerapong Lorratchavee	Member	4/4
Ms. Penhurai Chaichatchaval	Member	4/4

The Risk Management Committee has performed its duties under the Risk Management Committee Charter and the scope of authority as assigned by the Board of Directors. In the year 2022, the Risk Management Committee held 4 meetings to consider various important matters of the Company according to the assigned duties and responsibilities. Duties and responsibilities assigned by the Board of Directors can be summarized as follows:

1. Assessed risks at the corporate level, analyzed causes and trends of risks affecting the company along with establishing risk management guidelines to cover the entire organization in accordance with the risk management guidelines of COSO Enterprise Risk Management 2017 (COSO ERM 2017).
2. Considered the risk measurement criteria and acceptable risk level (Risk Appetite) for the year 2022.
3. Ensured that the risk management framework and policy are regularly reviewed to ensure that such frameworks and policies are still consistent with the business context and environment of the business.
4. Supervised and monitored compliance with risk management guidelines and risk management policies approved by the Board of Directors to control that risk to an acceptable level and report key risks, risk status, and the progress or results of managing those risks to the Board of Directors regularly.
5. Considered, supervised, and monitored strategic risks, operational risks, financial risks, and compliance risks.
6. Considered and scrutinized policies, supervise and monitor fraud and corruption risks.
7. Considered making a policy to regulate and monitor sustainability risks (ESG risks)
8. Applied the GRC (Governance, Risk and Compliance) concept to supervise the organization for progress and sustainability.
9. Established a clear risk management structure to make the management realize and take responsibility for the risk management in their work by linking risk management with operational goals. This created a culture of risk management throughout the organization.



10. Followed up on the progress of applying for certification to join the Private Sector Collective Action Coalition against Corruption of Thailand (CAC). The company received the CAC certification on 31 December 2022.
11. Considered and monitored the progress of operations under the Personal Data Protection Act.
12. Reviewed of the Risk Management Committee Charter by increasing corporate risk considerations to cover fraud risks corruption.

From the aforementioned operations, the Risk Management Committee considers that the company has established and considered the risk issues that occur throughout the operations of the Company as well as have adequate, appropriate and continuous risk management.



(Dr. Dhas Udomdhammapakdee)

Chairman of the Risk Management Committee

22 February 2023



Corporate Governance and Sustainability Report 2022

The Board of Directors has appointed the Corporate Governance and Sustainability Committee consisting of 2 independent directors and 2 executive directors to supervise operations as well as review various policies that companies must be in compliance with good corporate governance principles for listed companies before presenting them to the Board of Directors for approval, set guidelines for the implementation of various social affairs for sustainable development and follow up and supervise the operations of the company in accordance with the plans and goals set and assigned by the Board of Directors as well as regularly reporting progress and performance to the Board of Directors. Details of the meeting attendance of the Corporate Governance and Sustainability Committee are as follows:

Name	Position on the Corporate Governance and Sustainability Committee	Meeting attendance (4 times)
1. Mrs. Kesara Manthusree	Chairman (Independent Director)	3/4
2. Dr. Dhas Udomdhammapakdee	Member (Independent Director)	4/4
3. Mr. Dan Pathomvanich	Member	4/4
4. Mr. Teerapong Lorratchawee	Member	4/4

The Corporate Governance and Sustainability Committee performs its duties under the charter and scope of duties as assigned by the Board of Directors. In 2022, the Corporate Governance and Sustainability Committee held 4 meetings to consider various important issues of the Company according to the duties and responsibilities assigned by the Board of Directors that can be summarized as follows:

1. Supervised the management to conduct business with ethics, respect the rights and be responsible to shareholders and stakeholders, adapt to changing environments and create sustainable value for the business
2. Determined and reviewed the adequacy and suitability of the Company's corporate governance policies and practices in accordance with the principles of good corporate governance as well as national and international practices.
3. Determined and reviewed the adequacy and suitability of the Code of Conduct, including supporting the creation and driving of an organizational culture that adheres to ethics and behaved as a good role model.
4. Supervised the anti-fraud and corruption measures of the Company as a whole by defining the operating framework along with assigning duties and responsibilities to the management as appropriate and ensuring that the management has been allocated sufficient resources for such operations.
5. Acknowledged the work in support of the United Nations Sustainable Development Goals (SDGs) in economic, social, and environmental dimensions.
6. Reviewed and improved the performance evaluation form of the Board of Directors, both as a group and as an individual according to the best practices for the Board of Directors regarding performance evaluation and director development of the Thai Institute of Directors (IOD) to be used as a guideline to increase the performance of the Board of Directors.



7. Acknowledged the result of being selected as one of Thailand Sustainability Investment (THSI) for the year 2022, which is an award given to listed companies with outstanding business sustainability and create positive impacts on society.

The Corporate Governance and Sustainability Development has performed its assigned duties with prudence, transparency, fairness and independence in accordance with the principles of good corporate governance by taking into account the best interests of the company and all stakeholders.



(Mrs. Kesara Manchusree)

Chairman of the Corporate Governance
and Sustainability Committee

27 February 2023



Investment Committee Report 2023

The Board of Directors (“the Board”) appointed the Investment Committee to deliberate on policy, oversee the implementation of investment policy approved by the Board of Directors and support the Company’s investment operations to achieve the objective and target the details of attendance by the Investment Committee are as follows:

Name	Position in the Investment Committee	Meeting attendance (8 times)
Mr. Udomkarn Udomsab	Chairman	8/8
Mr. Tai Chuan Lin	Member	6/8
Mr. Dan Pathomvanich	Member	8/8
Ms. Penhurai Chaichatchaval	Member	8/8

The Investment Committee performed the duties and responsibilities in accordance with the charter and the scope of duties as assigned by the Board of Directors. In 2022, the Investment Committee were held 8 meetings to consider important matters of the Company in accordance with the duties and responsibilities assigned by the Board of Directors can be summarized as follows:

1. Considered, scrutinized, and advised the investment projects of the Company and the investment opportunities in accordance with goals and strategies of the Company by taking into account investment, cash flow, sources of funds and other related risk factors and proposed to the Board of Directors as follows:
 - Investment, lending, and expansion plan in plant-based food business in the United States
 - Investment in a decarbonization technology provider in the United States
 - Strategic partnership of Multi-Level Marketing (MLM) business
 - Climate action and sustainability project in the United States
 - Investment in leading healthy food products, vitamin, and supplements on Amazon.com
 - Divestment of hemp business
2. Monitored and assessed the return from the approved investment projects and the overview of the Company's investment portfolio and reported to the Board of Directors
3. Considered, scrutinized, and implemented the investment scoring criteria, and methodology, capital scoring guidelines, and scoring criteria and interpretation to improve the efficiency of the investment process and ability to make an informed decision on each of the investment projects covering 4 types of investments:
 - Merger and Acquisition
 - Joint venture
 - Establishment of subsidiaries
 - Investment funds
4. Considered and reviewed the business structure of the Company in accordance with current operations including the restructuring of the investment department to increase the efficiency and streamlining the investment process of the Company
5. Considered and reviewed the Investment Committee Charter and investment policy including total investment limits and investment delegation of authority to propose to the Board of Directors for approval

The Investment Committee has considered that the Investment Committee has fully performed its duties in accordance with the charter and as assigned by the Board of Directors with due diligence and care.

A handwritten signature in blue ink, appearing to be 'Udomkarn Udomsab', written on a light blue rectangular background.

(Mr. Udomkarn Udomsab)

Chairman of Investment Committee

20 February 2023



9. Internal Control and Related Transaction

9.1 Internal control

The Company has regularly assessed the internal control system of the Company and its subsidiaries by the Compliance and Audit Department to ensure that they are in line with the internal control system, laws, and regulations. From the internal audit report of the company's internal auditors to the audit committee, it can be concluded that from the assessment of the internal control system of the company and its subsidiaries in 5 various aspects: control environment, risk assessment, control measures, information systems and data communications and monitoring system. The Audit Committee is of the opinion that the internal control system of the Company and its subsidiaries is adequate and appropriate. The Company and its subsidiaries have demonstrated their commitment to the values of honesty and ethics. The Board of Directors is independent from the management and perform supervisory duties and develop internal control operations. The management has established a reporting structure, determined authority, command and appropriate responsibilities for the organization to achieve its objectives under the supervision of the Board of Directors. The management is committed to motivating, developing and retaining competent personnel and personnel are assigned the duties and responsibilities of internal control in order to achieve the objectives of the organization. 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 related to the organization's objectives and changes that may affect the internal control system, there are control measures that reduce the risk of not achieving the organization's objectives to an acceptable level. General control activities are selected and developed with technological systems to help support the achievement of objectives with control activities provided through policies, which defines what to expect and procedures so that the defined policies can be put into practice. Relevant and quality information is communicated to support the internal control to be able to proceed as specified and have communications with external agencies about issues that may affect internal control and to assess and communicate deficiencies in internal control in a timely manner to responsible persons, including senior management and the Board of Directors, as appropriate for internal control in other topics as shown in the report of the Audit Committee in 8.2 according to the performance report of the Audit Committee.

The Board of Directors is of the opinion that the Company has sufficient internal control as well. The company has also improved the channels for receiving complaints and whistleblowing about misconduct and fraud on the Company's website so that both employees and third parties can use this channel to report complaints or various clues, including announcing relevant policies on the company's website so that employees and third parties are aware of such complaint channels.

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 25 February 2023 to 25 February 2024 in the Audit Committee Meeting held on 27 February 2022 No. 1/2023.

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, Miss Nara Pathomvanich, and Master Kirin 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 shareholder
4. DP Partners Company Limited	Invest in other business	Major shareholder
5. DLN 2017 Company Limited	Invest in other business	Major shareholder
6. PDA Fund S Ltd.	Invest in other business	Major shareholder



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 2021 (Million Baht)	Value of transactions as of 31 December 2021 (Million Baht)	Necessity and Reasonableness of Transactions	Opinion of the 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 2021 (Million Baht)	Value of transactions as of 31 December 2021 (Million Baht)	Necessity and Reasonableness of Transactions	Opinion of the Audit Committee
2. Plant & Bean Limited	Advisory and legal fee	50.6	8.9	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.	Transaction to support ordinary course of business under general commercial conditions.
	interests	29.9	7.1	Nove Foods Co. Ltd. provided loans with interest.	Normal business transaction
3. Sabai Master Company Limited	Sell products	5.2	-	Indeem Group Co. Ltd. sells products to Sabai Master Company Limited	Transaction to support ordinary course of business under general commercial conditions.
4. Bumble Bee Company Limited	Purchase products	21.5	-	Indeem Group Co. Ltd. buys products from Bumble Bee Company Ltd.	Transaction to support ordinary course of business under general commercial conditions.
5. HHSC (One of the shareholder of Nove East Co. Ltd. hold shares in HHSC)	Service fee for salary management	0.4	-	HHSC provided salary service to Nove East Co. Limited	Transaction to support ordinary course of business under general commercial conditions.
	Other fees	2.84	-	HHSC charged service fee to Nove East Co. Limited	Transaction to support ordinary course of business



Person who may have conflict of interest	Related Party Transactions	Value of transactions as of 31 December 2021 (Million Baht)	Value of transactions as of 31 December 2021 (Million Baht)	Necessity and Reasonableness of Transactions	Opinion of the Audit Committee
6. 5. DLN 2017 Ltd.	Interests payable	1.9	-	DLN 2017 Ltd. provided loans to Regeneration Capital Company Ltd, while charging interest	Transaction to support the business
7. B-gistics Public Co. Ltd. is a shareholder of Ekold Company Ltd.	Interests payable	0.8	-	B-gistics Public Co. Ltd. provided loans to Ekold Company Ltd, (while still a subsidiary), charging interest	Transaction to support the business
8. Asian Food Corporation Ltd.	Interests payable	0.2	-	Asian Food Corporation Ltd. provided loans to Nove East Company Ltd, while charging interest	Transaction to support the business
9. Boosted Ecommerce, Inc. is a shareholder of Boosted NRF Corp., Inc	Management fees	86.0	60.3	Boosted NRF Corp., Inc charged management fee to Boosted Ecommerce, Inc., a company located in the United States of America	Transaction to support the business
	Other income	14.6	-	NRF Consumer Co. Ltd charged advisory fee and allocated funds to Boosted Ecommerce, Inc. a company located in the United States of America	Transaction to support the business



Person who may have conflict of interest	Related Party Transactions	Value of transactions as of 31 December 2021 (Million Baht)	Value of transactions as of 31 December 2021 (Million Baht)	Necessity and Reasonableness of Transactions	Opinion of the Audit Committee
9. Hatton Capitol (Thailand) Co. Ltd.	Other charges	0.25	-	Hatton Capitol (Thailand) Co. Ltd. charged other fees to Regeneration Capital Company Ltd. and Nove Foods, Co. Ltd.	Transaction to support the business
10.SELLEED DOT COM COMPANY LIMITED, the shareholder of this company is also shareholder of Indeem Group Co. Ltd.	Other charges	5.79	-	SELLEED DOT COM COMPANY LIMITED charged other fees to Indeem Group Co. Ltd.	Transaction to support the business



Necessity and Reasonableness of Related Party Transactions

The Audit Committee's meeting No. 1/2523 held on 27 February 2023 has considered connected transaction of the group company for the fiscal year ending on 31 December 2022. 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 2022 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 11 November 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.



NRF

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

SECTION 3 FINANCIAL STATEMENT



Report on the Board of Directors' responsibility for financial report

The consolidated financial statements of NR Instant Produce Public Company Limited and its subsidiaries were prepared in accordance with relevant laws and regulations of the Securities Exchange Commission as well as financial reporting standards prescribed by the Federation of Accounting Professions, accounting laws, and generally accepted accounting practices in Thailand.

The Company's Board of Directors is responsible for the financial report of NR Instant Produce Public Company Limited and its subsidiaries which has been prepared to provide reasonable assurance that the financial report fairly presents the financial position, financial performance, and cash flows. The accounting data is sufficiently and accurately recorded to preserve the Company's assets and prevent fraud and irregularity. The Board of Directors has appointed the Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit.

The financial report has been prepared according to appropriate accounting policy and consistent practices, and in compliance with the Thai Financial Reporting Standards. Material information has been sufficiently disclosed in notes to financial statements, and the auditor expressed an unqualified opinion on the financial statements of NR Instant Produce Public Company Limited and its subsidiaries.



(Mrs. Kesara Manchusree)

Chairman of the Board

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 2022, 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 2022, 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 88% and 99% of total revenues in the consolidated financial statements and the separate financial statements, respectively). In addition, the revenue of the Group is derived from a variety of products, which have a large number of domestic and overseas customers, and the prices vary according to the competitive situation. As a result, revenues from sales of the Group are 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 20 to the financial statements, as at 31 December 2022, the Group has goodwill and intangible assets with indefinite useful lives amounting to Baht 250 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.

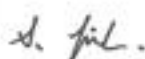
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude 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.



Sineenart Jirachaikhuan
Certified Public Accountant (Thailand) No. 6287

EY Office Limited
Bangkok: 27 February 2023

NR Instant Produce Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	437,694,055	309,469,012	287,646,806	147,134,516
Trade and other receivables	8	883,794,179	498,342,692	326,870,056	299,648,398
Short-term loans to other parties	9	35,591,300	-	-	-
Current portion of long-term loans to subsidiaries	6	-	-	341,800,305	38,596,782
Short-term loans to a associate	6	-	257,694,785	-	-
Current portion of long-term loans to associate	6	164,909,200	-	-	-
Inventories	10	222,088,538	196,894,425	106,581,630	133,532,454
Other current financial assets	11	346,429,847	-	346,429,847	-
Other current assets		14,408,811	19,246,903	6,907,859	14,543,212
Total current assets		2,104,915,930	1,281,647,817	1,416,236,503	633,455,362
Non-current assets					
Restricted bank deposits	12	34,610,000	34,610,000	33,000,000	33,000,000
Other non-current financial assets	13	419,238,480	287,670,694	78,499,161	187,680,379
Long-term loans to other party	9	33,000,000	-	-	-
Long-term loans to subsidiaries, net of current portion	6	-	-	1,429,524,103	913,738,231
Long-term loans to associate, net of current portion	6	228,074,067	-	-	-
Investments in subsidiaries	14	-	-	722,677,687	628,013,310
Investments in joint venture	15	139,955,472	36,717,610	-	-
Investment in associates	16	89,584,515	241,784,748	-	92,946,735
Property, plant and equipment	17	751,075,907	587,226,369	356,126,177	364,776,829
Right-of-use assets	18	11,528,925	11,425,627	4,628,925	5,575,596
Intangible assets	19	1,835,190,234	1,878,542,805	1,320,434,194	1,374,719,616
Unallocated cost of business acquisition		-	4,699,208	-	-
Goodwill	20	249,678,816	244,979,609	241,635,741	241,635,741
Deferred tax assets	31	60,543,357	47,413,562	23,660,049	5,872,296
Other non-current assets		8,050,715	5,565,947	2,474,768	2,386,504
Total non-current assets		3,860,530,488	3,380,636,179	4,212,660,805	3,848,345,237
Total assets		5,965,446,418	4,662,283,996	5,628,897,308	4,481,800,599

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 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	21	154,013,919	140,000,000	100,000,000	140,000,000
Trade and other payables	22	217,632,881	314,624,600	126,614,438	139,618,165
Current portion of long-term loans	23	113,244,043	36,261,551	96,964,871	36,261,551
Current portion of long-term debentures	24	696,895,351	-	696,895,351	-
Current portion of lease liabilities	18	3,718,431	3,723,105	1,346,863	1,495,811
Income tax payable		24,763,742	63,398,504	22,693,054	50,919,062
Other current liabilities		17,929,800	8,957,817	2,676,689	3,690,660
Total current liabilities		1,228,198,167	566,965,577	1,047,191,266	371,985,249
Non-current liabilities					
Long-term loans, net of current portion	23	132,250,005	222,291,521	105,125,063	222,291,521
Long-term debenture, net of current portion	24	1,281,688,189	691,313,101	1,281,688,189	691,313,101
Lease liabilities, net of current portion	18	7,089,150	6,698,717	3,099,370	3,220,533
Provision for long-term employee benefits	25	23,500,949	19,339,686	20,977,089	18,115,590
Deferred tax liabilities	31	288,950,034	299,953,894	280,171,344	292,089,627
Other non-current liabilities		5,259,694	2,633,320	5,259,694	2,633,320
Total non-current liabilities		1,738,738,021	1,242,230,239	1,696,320,749	1,229,663,692
Total liabilities		2,966,936,188	1,809,195,816	2,743,512,015	1,601,648,941

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered					
1,485,443,157 ordinary shares of Baht 1 each		1,485,443,157	1,485,443,157	1,485,443,157	1,485,443,157
Issued and fully paid					
1,417,654,142 ordinary shares of Baht 1 each		1,417,654,142	1,417,654,142	1,417,654,142	1,417,654,142
Share premium		1,224,816,721	1,224,816,721	1,224,816,721	1,224,816,721
Deficit on amalgamation	27	(290,788,396)	(290,788,396)	(290,788,396)	(290,788,396)
Retained earnings					
Appropriated - statutory reserve	28	47,300,000	41,400,000	47,300,000	41,400,000
Unappropriated		651,830,542	454,253,206	556,427,522	503,053,518
Other components of shareholders' equity		(85,607,786)	(32,010,784)	(70,024,696)	(15,984,327)
Equity attributable to owners of the Company		2,965,205,223	2,815,324,889	2,885,385,293	2,880,151,658
Non-controlling interest of the subsidiaries		33,305,007	37,763,291	-	-
Total shareholders' equity		2,998,510,230	2,853,088,180	2,885,385,293	2,880,151,658
Total liabilities and shareholders' equity		5,965,446,418	4,662,283,996	5,628,897,308	4,481,800,599

The accompanying notes are an integral part of the financial statements.

Directors

NR Instant Produce Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Revenues					
Sales	32, 34	2,294,391,771	2,100,026,946	1,313,220,027	1,374,075,197
Exchange gains		-	9,818,435	-	-
Gain on changes in value of financial assets designated at fair value through profit or loss		67,981,094	33,553,858	-	33,553,858
Gain on sales of investments	14, 16	135,569,547	99,640,485	-	99,640,485
Other income		121,740,220	75,203,478	6,337,170	40,046,434
Total revenues		2,619,682,632	2,318,243,202	1,319,557,197	1,547,315,974
Expenses					
Cost of sales		1,281,748,463	1,283,526,384	879,043,768	940,592,345
Selling and distribution expenses		387,578,713	261,169,881	57,546,957	62,058,358
Administrative expenses		490,806,880	371,002,400	206,143,806	193,106,698
Exchange losses		5,428,717	-	2,097,743	5,524,852
Loss on changes in value of financial assets designated at fair value through profit or loss		-	-	21,012,942	-
Loss on write-off loans to subsidiary		-	-	-	74,114,700
Total expenses		2,165,562,773	1,915,698,665	1,165,845,216	1,275,396,953
Profit from operating activities		454,119,859	402,544,537	153,711,981	271,919,021
Share of loss from investment in joint venture	15	(9,262,038)	(782,390)	-	-
Share of loss from investment in associates	16	(63,384,082)	(52,605,518)	-	-
Finance income		35,204,516	7,921,650	80,058,530	48,864,742
Finance cost	29	(95,630,149)	(63,826,151)	(87,754,194)	(46,974,739)
Profit before income tax expenses		321,048,106	293,252,128	146,016,317	273,809,024
Income tax expenses	31	(53,461,124)	(71,804,520)	(29,089,605)	(69,089,836)
Profit for the year		267,586,982	221,447,608	116,926,712	204,719,188
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		(3,008,880)	36,758,193	-	-
Share of other comprehensive income from investment in associate	16	(5,871,579)	14,066,977	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>		(8,880,459)	50,825,170	-	-
<i>Other Comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses	25	(598,813)	-	-	-
Less: Income tax effect	31	119,763	-	-	-
		(479,050)	-	-	-
Loss on changes in value of equity investments designated at fair value through other comprehensive income		(73,535,530)	(94,310,450)	(66,963,861)	(1,841,934)
Less: Income tax effect	31	13,014,896	18,862,090	13,392,772	368,387
		(60,520,634)	(75,448,360)	(53,571,089)	(1,473,547)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>		(60,999,684)	(75,448,360)	(53,571,089)	(1,473,547)
Other comprehensive income for the year		(69,880,143)	(24,623,190)	(53,571,089)	(1,473,547)
Total comprehensive income for the year		197,706,839	196,824,418	63,355,623	203,245,641

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit (loss) attributable to:					
Equity holders of the Company		285,224,134	220,783,684	116,926,712	204,719,188
Non-controlling interests of the subsidiaries		(17,637,152)	663,924		
		<u>267,586,982</u>	<u>221,447,608</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		208,002,322	179,619,307	63,355,823	203,245,641
Non-controlling interests of the subsidiaries		(10,295,483)	17,205,111		
		<u>197,706,839</u>	<u>196,824,418</u>		
Basic earning per share	33				
Profit attributable to equity holders of the Company		<u>0.20</u>	<u>0.16</u>	<u>0.08</u>	<u>0.14</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 2022

Consolidated financial statements													(Unit: Baht)
Equity attributable to owners of the Company													
	Other components of shareholders' equity -												
	Other comprehensive income												
	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						
Issued and paid-up share capital	Share premium	Deficit on amalgamation	Appropriated - statutory reserve	Unappropriated retained earnings									
Balance as at 1 January 2021	1,355,795,300	1,165,194,364	(290,788,396)	30,400,000	328,997,559	4,594,205	-	(17,813,000)	(13,118,815)	2,574,465,012	-	2,574,465,012	
Profit for the year	-	-	-	-	328,997,559	-	-	-	-	220,793,084	693,824	221,447,808	
Other comprehensive income for the year	-	-	-	-	220,793,584	14,068,977	20,217,006	(76,448,360)	(41,164,377)	(41,164,377)	16,841,187	(24,623,190)	
Total comprehensive income for the year	-	-	-	-	220,793,584	14,068,977	20,217,006	(76,448,360)	(41,164,377)	179,619,207	17,205,111	196,824,418	
Issued ordinary shares capital (Note 20)	7,643,892	59,602,257	-	-	-	-	-	-	-	67,206,249	-	67,206,249	
Dividend paid (Note 36)	-	-	-	-	(8,025,879)	-	-	-	-	(8,025,879)	-	(8,025,879)	
Stock dividend (Note 20)	54,223,950	-	-	-	(54,223,950)	-	-	-	-	-	-	-	
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings (Note 13)	-	-	-	-	(22,272,406)	-	-	22,272,406	22,272,406	-	-	-	
Increase in non-controlling interest of subsidiary from subsidiary's investment (Note 14)	-	-	-	-	-	-	-	-	-	-	20,558,180	20,558,180	
Transferred unappropriated retained earnings to statutory reserve (Note 20)	-	-	-	11,000,000	(11,000,000)	-	-	-	-	-	-	-	
Balance as at 31 December 2021	1,417,254,142	1,224,816,721	(290,788,396)	41,400,000	654,253,208	18,761,182	20,217,006	(70,988,872)	(32,010,764)	2,815,324,889	37,763,291	2,853,088,180	
Balance as at 1 January 2022	1,417,254,142	1,224,816,721	(290,788,396)	41,400,000	654,253,208	18,761,182	20,217,006	(70,988,872)	(32,010,764)	2,815,324,889	37,763,291	2,853,088,180	
Profit (loss) for the year	-	-	-	-	265,224,134	-	-	-	-	265,224,134	(17,837,162)	247,386,972	
Other comprehensive income for the year	-	-	-	-	(319,268)	(8,871,579)	(10,510,231)	(90,520,834)	(78,902,444)	(77,221,812)	7,341,889	(69,880,143)	
Total comprehensive income for the year	-	-	-	-	264,904,866	(8,871,579)	(10,510,231)	(90,520,834)	(78,902,444)	208,002,322	(10,295,483)	197,706,839	
Dividend paid (Note 36)	-	-	-	-	(58,121,888)	-	-	-	-	(58,121,888)	-	(58,121,888)	
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings (Note 13)	-	-	-	-	(23,305,442)	-	-	23,305,442	23,305,442	-	-	-	
Increase in non-controlling interest of subsidiary from subsidiary's investment (Note 14)	-	-	-	-	-	-	-	-	-	-	4,933,334	4,933,334	
Increase in non-controlling interest of the subsidiaries from subsidiaries change in status (Note 14)	-	-	-	-	-	-	-	-	-	-	903,885	903,885	
Transferred unappropriated retained earnings to statutory reserve (Note 20)	-	-	-	5,900,000	(5,900,000)	-	-	-	-	-	-	-	
Balance as at 31 December 2022	1,417,254,142	1,224,816,721	(290,788,396)	47,300,000	661,830,342	12,889,603	8,706,776	(108,204,164)	(85,607,786)	2,965,205,223	33,358,067	2,998,510,230	

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 2022

	Separate financial statements							(Unit: Baht)	
	Other components of shareholders' equity -								
	Other comprehensive income							Total other	
	Issued and paid-up share capital	Share premium	Deficit on amalgamation	Appropriated - statutory reserve	Unappropriated	Fair value reserve	components of shareholders' equity	Total shareholders' equity	
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 26)	7,643,892	59,622,357	-	-	-	-	-	67,266,249	
Dividend paid (Note 36)	-	-	-	-	(8,025,679)	-	-	(8,025,679)	
Stock dividend (Note 36)	54,229,960	-	-	-	(54,229,960)	-	-	-	
Transferred unappropriated retained earnings to statutory reserve (Note 28)	-	-	-	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	
Balance as at 1 January 2022	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	
Profit for the year	-	-	-	-	116,926,712	-	-	116,926,712	
Other comprehensive income for the year	-	-	-	-	-	(53,571,089)	(53,571,089)	(53,571,089)	
Total comprehensive income for the year	-	-	-	-	116,926,712	(53,571,089)	(53,571,089)	63,355,623	
Dividend paid (Note 36)	-	-	-	-	(58,121,988)	-	-	(58,121,988)	
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings (Note 13)	-	-	-	-	489,280	(489,280)	(489,280)	-	
Transferred unappropriated retained earnings to statutory reserve (Note 28)	-	-	-	5,900,000	(5,900,000)	-	-	-	
Balance as at 31 December 2022	1,417,654,142	1,224,816,721	(290,788,396)	47,300,000	566,427,522	(70,024,696)	(70,024,696)	2,885,385,293	

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 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax	321,048,106	293,252,128	146,016,317	273,809,024
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	173,357,163	156,528,637	90,882,686	93,399,754
Allowance for expected credit losses (reversal)	3,910,844	(1,584,092)	1,053,391	(1,726,106)
Reduction in cost to net realisable value of inventories (reversal)	(2,518,884)	3,754,086	(2,495,282)	2,751,640
Gains on disposals of equipment	(215,724)	(142,024)	(44,996)	(52,670)
Loss on write-off intangible assets	-	1,180,000	-	-
Share of loss from investment in joint venture	9,262,038	782,390	-	-
Share of loss from investment in associates	63,384,082	52,605,518	-	-
Provision for long-term employee benefits	3,562,450	3,913,425	2,861,499	3,268,788
Unrealised (gain) losses on exchange	51,045,702	(166,839)	6,889,089	14,224,920
Loss (gain) from fair value measurement of derivatives	1,986,277	(10,374,096)	1,986,277	(10,374,096)
Loss (gain) on change in value of equity instruments designated at fair value through profit or loss	(69,967,371)	(23,179,762)	19,026,665	(23,179,762)
Gain on sales of investments	(135,569,547)	(99,640,485)	-	(99,640,485)
Loss on write-off loans to subsidiary	-	-	-	74,114,700
Finance income	(35,204,516)	(7,921,650)	(80,058,530)	(48,864,742)
Finance cost	95,630,149	63,826,151	87,754,194	46,974,739
Profit from operating activities before changes in operating assets and liabilities	479,710,769	432,833,387	273,871,310	324,705,704
Operating assets (increase) decrease				
Trade and other receivables	(110,352,918)	(145,827,641)	40,434,551	(74,305,881)
Inventories	(23,280,987)	(6,797,273)	29,446,106	17,239,873
Other current assets	1,488,942	5,817,113	6,729,827	7,745,229
Other non-current assets	(4,698,617)	(871,480)	(88,264)	384,089
Operating liabilities increase (decrease)				
Trade and other payables	(105,042,001)	(8,704,069)	(32,834,183)	(22,188,980)
Other current liabilities	9,139,886	(835,157)	50,829	(3,060,548)
Other non-current liabilities	2,626,373	80,703	2,828,374	80,703
Cash flows from operating activities	249,610,547	275,095,503	320,136,550	250,300,189
Cash paid for interest expenses	(95,351,355)	(59,462,443)	(82,132,603)	(48,734,807)
Cash paid for corporate income tax	(101,169,197)	(61,894,189)	(73,628,878)	(47,103,460)
Net cash flows from operating activities	53,089,995	154,338,951	164,375,069	154,461,922

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 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
(Increase) decrease in restricted bank deposits	-	(26,741,500)	-	(31,636,085)
Increase in loans to subsidiaries	-	-	(818,989,395)	(718,232,471)
Increase in loans to associate	(161,611,151)	(243,797,925)	-	-
Increase in loans to other parties	(33,360,000)	-	-	-
Purchase of current financial asset	(350,000,000)	-	(350,000,000)	-
Purchase of non-current financial assets	(222,426,892)	(181,773,957)	(8,689,524)	(7,160,170)
Cash receipt from disposal of other non-current financial assets	24,375,367	47,166,730	28,829,139	-
Cash receipt (paid) for investment in subsidiaries	-	3,549,931	(3,717,643)	(401,191,050)
Cash paid for investment in joint venture	(112,499,900)	(37,500,000)	-	-
Cash paid for investment in associates	-	(60,000,000)	-	(60,000,000)
Acquisition of plant and equipment	(276,371,975)	(32,883,274)	(19,999,813)	(10,817,567)
Cash receipt from disposal of investment in subsidiary	6,990,987	-	-	-
Cash receipt from disposal of investment in associate	1,000,000	-	-	-
Proceeds from disposals of equipment	2,204,438	987,724	761,643	52,724
Acquisition of intangible assets	(48,257,855)	(450,621,763)	(3,946,627)	-
Interest received	5,976,246	6,567,235	12,211,093	43,749,092
Net cash flows used in investing activities	(1,163,980,735)	(975,046,799)	(1,163,541,127)	(1,185,235,527)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	14,013,919	(3,477,902)	(40,000,000)	19,967,858
Cash receipt from loans from related party	22,000,000	-	-	-
Cash receipt from long-term loans	49,999,900	252,324,899	-	252,324,899
Repayment of long-term loans	(66,939,871)	(71,438,987)	(60,344,085)	(8,499,999)
Cash receipt from issuance of long-term debentures	1,300,000,000	700,000,000	1,300,000,000	700,000,000
Payment of principal portion of lease liabilities	(5,134,533)	(4,479,451)	(1,522,402)	(2,010,074)
Cash receipt from non-controlling interests of the subsidiary	4,933,334	1,066,666	-	-
Dividend paid	(58,121,988)	(6,025,679)	(58,121,988)	(6,025,679)
Net cash flows from financing activities	1,260,750,761	867,969,546	1,140,011,525	955,757,005
Increase (decrease) in translation adjustments	(21,301,801)	37,885,487	-	-
Net increase (decrease) in cash and cash equivalents				
before effect from currency translation	128,558,220	85,147,185	140,845,487	(75,018,800)
Net foreign exchange difference	(333,177)	(30,950)	(333,177)	(30,950)
Cash and cash equivalents at beginning of year	309,469,012	224,358,785	147,134,516	222,188,074
Cash and cash equivalents at end of year	437,694,055	309,489,012	287,646,806	147,134,516

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 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Supplemental cash flow information				
Non cash items				
Accounts receivable for disposal investments	270,270,384	-	-	-
Accounts receivable for disposal assets	-	28,100,000	-	-
Accounts payable for purchase assets	4,267,526	6,278,295	2,517,857	5,978,240
Accounts payable for purchase intangible assets	-	83,951,476	-	-
Increase in right-of-use assets from new lease contracts	5,520,291	5,496,481	1,252,291	-
Transfer right-of-use to fixed assets	386,251	-	19,851	-
Investments exchange transactions	138,000,000	201,226,250	92,946,735	238,671,770
Loss on changes in value of equity investments designated at fair value through other comprehensive income	(73,535,530)	(94,310,450)	(66,963,861)	(1,841,934)

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 2022

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 incorporation	Shareholding percentage	
			2022	2021
			%	%
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
City Food Company Limited	Manufacture import and export instant foods	Thailand	100	100
Super Plants Limited	Not yet operational	Thailand	100	100
Regeneration Capital Limited	Investment management	Thailand	100	100
Held by Nove Food Limited				
Nove Eats Limited	Distribution of food products containing no meat ingredients or animal products	Thailand	8	51
Root The Future Limited	Content management for communicating to vegetarian and eco friendly consumers	Thailand	100	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	55
Indeem Group Limited	Distribution of consumer goods via membership system	Thailand	51	51
Indeem International Limited	Distribution of consumer goods via membership system	Thailand	100	-
Held by City Food Company Limited				
Botany Petcare Company Limited	Manufacture and distribution of pet foods	Thailand	67	67

Company's name	Nature of business	Country of incorporation	Shareholding percentage	
			2022	2021
			%	%
Held by Regeneration Capital Limited				
Regeneration Investment Holdings (Singapore) Limited	Investment management	Singapore	100	-
Regeneration Capital (Cayman) Limited	Investment management	Cayman Island	100	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continues to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) 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 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 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 2023

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 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group 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.

Dividends

Dividends are recognised when the right to receive the dividends 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, 20 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 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.

Summaries significant business transactions with related parties as follows:

(Unit: Million Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	78.7	48.4	4.65% - 6.75%
<u>Transactions with associate</u>					
Interest income	29.9	7.1	-	-	3.70%
Other income	50.6	8.9	0.2	-	As stipulated in the agreement
<u>Transactions with related parties</u>					
(related by common directors)					
Sales of goods	5.2	-	-	-	Market prices
Other income	14.6	-	-	-	As stipulated in the agreement
Purchase of goods	21.9	1.9	-	-	Market prices
Interest expense	2.9	-	-	-	6.50% - 7.00%
Management fees	86.0	60.3	-	-	As stipulated in the agreement
Other expenses	9.1	7.8	-	-	Agreed between parties

The balances of the accounts as at 31 December 2022 and 2021 between the Company, the subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	33	49
Joint venture	9	-	-	-
Related company (related by common directors)	5,563	46	-	-
Total trade receivables - related parties	5,572	46	33	49
<u>Other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	85,800	13,416
Joint venture	161	2	161	-
Associate	91,990	10,909	-	-
Related company (related by common directors)	20,830	8,924	-	-
Total other receivables - related parties	112,981	19,835	85,961	13,416
<u>Other non-current assets - related parties</u>				
Subsidiary	-	-	150	-
Total other non-current assets - related party	-	-	150	-
<u>Trade payables - related parties (Note 22)</u>				
Subsidiary	-	-	79	-
Related company (related by common directors)	1,458	11,325	-	-
Total trade payables - related parties	1,458	11,325	79	-
<u>Other payables - related parties (Note 22)</u>				
Subsidiary	-	-	91	15
Related company (related by common directors)	43	51	-	-
Total other payables - related parties	43	51	91	15

Loans to related parties

As at 31 December 2022 and 2021, the balances of loans between the Group and those related companies and the movement in loans are as follows:

(Unit: Thousand Baht)

Loans	Consolidated financial statements			
	Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
<u>Short-term loans to associate</u>				
Plant and Bean Limited	243,798	161,611	(405,409)	-
Unrealised gain (loss) on exchange	13,897	12,424	(26,321)	-
Total short-term loans to associate	257,695	174,035	(431,730)	-
<u>Long-term loans to associate</u>				
Plant and Bean Limited	-	405,409	-	405,409
Unrealised loss on exchange	-	-	(12,426)	(12,426)
Total long-term loans to associate	-	405,409	(12,426)	392,983
Less: Current portion	-			(164,909)
Net of current portion	-			228,074

(Unit: Thousand Baht)

Loans	Separate financial statements			
	Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
<u>Long-term loans to subsidiaries</u>				
Nove Foods Limited	526,825	495,241	(71,000)	951,066
NRF Consumer Limited	310,308	67,355	-	377,663
City Food Co., Ltd.	115,202	-	(38,597)	76,605
Regeneration Capital Limited	-	195,990	-	195,990
Botany Petcare Company Limited	-	170,000	-	170,000
Total loans to subsidiaries	952,335	928,586	(109,597)	1,771,324
Less: Current portion	(38,597)			(341,800)
Net of current portion	913,738			1,429,524

Directors and management's benefits

The Group had employee benefit expenses to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	51,392	40,417	38,537	40,417
Post-employment benefits	1,681	1,118	944	1,118
Total	53,073	41,535	39,481	41,535

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash	10,543	362	50	50
Bank deposits	427,151	309,107	287,597	147,085
Total	437,694	309,469	287,647	147,135

As at 31 December 2022, bank deposits in saving accounts carried interests between 0.05 and 0.40 percent per annum (2021: between 0.05 and 0.25 percent per annum) (the Company only: between 0.05 and 0.40 percent per annum, 2021: between 0.05 and 0.25 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	46	33	-
Past due				
Up to 3 months	5,256	-	-	49
3 - 6 months	316	-	-	-
Total trade receivable - related parties	5,572	46	33	49
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	266,361	255,272	184,764	199,836
Past due				
Up to 3 months	24,707	58,586	8,374	40,645
3 - 6 months	4,696	2,367	2,086	1,916
6 - 12 months	15,763	2,432	66	812
Over 12 months	4,419	1,006	2,144	894
Total trade receivables - unrelated parties	315,946	319,663	197,434	244,103
Less: Allowance for expected credit losses	(5,955)	(1,967)	(2,792)	(1,739)
Total trade receivables - unrelated parties, net	309,991	317,696	194,642	242,364
Total trade receivables - net	315,563	317,742	194,675	242,413
<u>Other receivables - related parties</u>				
Other receivables	77,695	18,481	230	27
Interest receivables	30,232	1,354	85,712	13,389
Advance payment for purchase of inventories	3,276	-	-	-
Prepaid expenses	1,778	-	19	-
Total other receivables - related parties	112,981	19,835	85,961	13,416
<u>Other receivables - unrelated parties</u>				
Other receivables	397,191	116,153	37,470	38,035
Interest receivables	4,814	-	-	-
Advance payment for purchase of inventories	6,570	-	-	-
Prepaid expenses	38,286	32,721	8,764	5,767
Advance payments to employee	8,389	11,892	-	17
Total other receivables - unrelated parties	455,250	160,766	46,234	43,819
Total other receivables	568,231	180,601	132,195	57,235
Total trade and other receivables - net	883,794	498,343	326,870	299,648

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	
	2022	2021	2022	2021
Beginning balance	1,967	3,551	1,739	3,465
Provision for expected credit losses	3,911	-	1,053	-
Reversal of allowance for expected credit losses	-	(1,584)	-	(1,726)
Translation adjustments	77	-	-	-
Ending balance	5,955	1,967	2,792	1,739

9. Loans to other parties

As at 31 December 2022 and 2021, the balances loans to other parties and the movement in loans during the year ended 31 December 2022 are as follows:

Loans	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December 2021	during the year	during the year	31 December 2022
<u>Short-term loans to other parties</u>				
Konscious Foods Inc.	-	33,360	-	33,360
Nove Eats Limited	-	1,200	-	1,200
Add: Unrealised gain on exchange	-	1,031	-	1,031
Total short-term loans to other parties	-	35,591	-	35,591
<u>Long-term loans to other party</u>				
Ekold Limited	-	33,000	-	33,000
Total long-term loans to other party	-	33,000	-	33,000

10. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Reduce cost to net					
	Cost		realisable value		Inventories-net	
	2022	2021	2022	2021	2022	2021
Finished goods	65,346	77,720	(118)	(2,091)	65,228	75,629
Semi-finished goods	34,704	36,244	(699)	(629)	34,005	35,615
Raw materials	58,470	29,384	(1,523)	(1,385)	56,947	27,999
Packaging and factory supplies	73,273	70,069	(11,664)	(12,418)	61,609	57,651
Goods in transit	4,300	-	-	-	4,300	-
Total	236,093	213,417	(14,004)	(16,523)	222,089	196,894

(Unit: Thousand Baht)

	Separate financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories-net	
	2022	2021	2022	2021	2022	2021
Finished goods	3,181	25,988	(74)	(1,965)	3,107	24,023
Semi-finished goods	22,392	35,524	(699)	(610)	21,693	34,914
Raw materials	34,554	24,932	(726)	(653)	33,828	24,279
Packaging and factory supplies	53,443	56,572	(5,489)	(6,256)	47,954	50,316
Total	113,570	143,016	(6,988)	(9,484)	106,582	133,532

During the year 2022, the Group reversed the write-down of cost of inventories by Baht 3 million (The Company only: Baht 2 million) and reduced the amount of inventories recognised as expenses during the year.

During the year 2021, the Group reduced cost of inventories by Baht 4 million (the Company only: Baht 3 million), to reflect the net realizable value. This was included in cost of sales.

11. Other current financial assets

As at 31 December 2022 and 2021, other current financial assets are summarised below.

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2022	2021
<u>Debt instruments at amortised cost</u>		
Listed promissory note	350,000	-
Less: deferred interest income	(4,476)	-
Total debt instruments at amortised cost	345,524	-
<u>Financial assets at FVTPL</u>		
Derivative assets	906	-
Total financial assets at FVTPL	906	-
Total other current financial assets	346,430	-

Marketable listed promissory note has a term of 189 days, with maturity date on 8 June 2023 and a coupon rate of 3% per annum.

12. Restricted bank deposits

Balance as at 31 December 2022 comprise the Company's saving deposit of Baht 33 million, (2021: Baht 33 million) which the Company uses as collateral to a bank for secured long-term loan (as described in Note 23 to the financial statements) and a subsidiary's saving deposits of Baht 2 million (2021: 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.

13. Other non-current financial assets

As at 31 December 2022 and 2021, other non-current financial assets are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Equity instruments designated at FVOCI</u>				
Non-listed equity instruments				
Dusit Gourmet Company Limited	-	289		289
Konscious Foods., Inc.	2,988	10,570	-	-
Wicked Foods., Inc.	15,252	7,501	-	-
New Protein Fund I LP	13,223	9,278	-	9,278
Big Idea Ventures GP I, LLC	13,455	9,369	-	9,369
Unovis NCAP Fund II C.V.	122,440	63,197	-	-
Frontline Bioenergy LLC	154,761	-	-	-
Nove Eats Limited	70,233	-	69,832	-
Golden Triangle Health Co., Ltd.	2,108	-	-	-
Total equity instruments designated at FVOCI	394,460	100,204	69,832	18,936
<u>Financial assets at FVTPL</u>				
Listed equity instrument				
Australis Capital., Inc.	-	157,055	-	157,055
Non-listed equity instruments	16,971	19,554	860	831
Derivative assets	7,807	10,858	7,807	10,858
Total financial assets at FVTPL	24,778	187,467	8,667	168,744
Total other non-current financial assets	419,238	287,671	78,499	187,680

Boosted Ecommerce, Inc.

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 14 to the 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 16 to the financial statements.

In September 2022, the Company transferred all investments in Australis Capital Inc. as consideration for the investment in preference shares of Nove Eats Limited.

Dusit Gourmet Company Limited

In July 2022, the Company sold its equity interest in Dusit Gourmet Company Limited. The fair value on the date of sale was Baht 0.29 million and the accumulated loss recognised in other comprehensive income of Baht 2.70 million was transferred to retained earnings.

New Protein Fund I LP

In July 2022, the Company sold its equity interest in New Protein Fund I LP to Nove Foods Limited. The amount on the transferred date was Baht 14.22 million and the accumulated gain recognised in other comprehensive income of Baht 1.47 million was transferred to retained earnings.

Big Idea Ventures GP I, LLC

In July 2022, the Company sold its equity interest in Big Idea Ventures GP I, LLC to Nove Foods Limited. The amount on the transferred date was Baht 14.32 million and the accumulated gain recognised in other comprehensive income of Baht 1.82 million was transferred to retained earnings.

Nove Eats Limited

During the year 2022, the status of the investment in Nove Eats Limited changed from investment in subsidiary to equity instrument designated at FVOCI, as described in Note 14.2 to the financial statements.

In September 2022, the Company invested in preference shares of Nove Eats Limited amounting to Baht 138 million (13,800,000 preference shares of Baht 10 each) and paid consideration for such investment through transfer of all ordinary shares of Australis Capital Inc. held by the Company. There was no change in the status of investment since the Group has 5% voting right at shareholders' meetings of such company.

Golden Triangle Health Co., Ltd.

During the year 2022, the status of the investment in Golden Triangle Health Co., Ltd. changed from investment in subsidiary to equity instrument designated at FVOCI, as described in Note 16 to the financial statements.

14. Investments in subsidiaries

Details of investment in subsidiaries as presented in separate financial statements are as follow:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2022	2021	2022	2021	2022	2021
			(Percent)	(Percent)		
Nove Foods Limited	205,000	205,000	100	100	205,000	205,000
NRF Consumer Limited	200,100	200,100	100	100	200,100	200,100
City Food Company Limited	128,000	128,000	100	100	200,000	200,000
Super Plants Limited	2,091	2,091	100	100	2,091	2,091
Regeneration Capital Limited	115,487	18,822	100	100	115,487	18,822
Total					722,678	626,013

No dividend was received from the above subsidiaries during the years ended 31 December 2022 and 2021.

14.1 The Company's additional investment in subsidiaries

Super Plants Limited

On 2 April 2021, the Company invested in Super Plants Limited (a subsidiary) 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).

On 10 January 2023, "Super Plants Limited" changed its name to "350 Limited".

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 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.

In February 2022, Regeneration Capital Limited registered an increase in its share capital by 2,974,114 ordinary shares with a par value of Baht 5 per share. Regeneration Capital Limited called up 25% of the additional registered capital, or a total of Baht 3.7 million. The Company made payment for the shares, with no change in its proportionate shareholding.

In July 2022, Regeneration Capital Limited called up all the remaining registered capital, or a total of Baht 67 million, registered another increase in its share capital of 5,125,105 ordinary shares with a par value of Baht 5 per share and called up 100% of the additional registered capital, or a total of Baht 26 million. The Company made payment by transferring ordinary shares of Golden Triangle Health Co., Ltd. with fair value at the transfer date of Baht 93 million. There is no change in the Company's proportionate shareholding.

14.2 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.

In July 2022, a subsidiary additional invested in preference shares of Boosted NRF Corp. of USD 625,000 or Baht 23 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.

In February 2022, Nove Eats Limited called up all the remaining registered capital, or a total of Baht 1.4 million. The subsidiary made payment for the shares, with no change in its proportionate shareholding.

Subsequently, in July 2022 and August 2022, the subsidiary invested Baht 3 million in additional paid-up shares of Nove Eats Limited, with no change in its proportionate shareholding.

In September 2022, a subsidiary sold 429,999 ordinary shares of its investment in Nove Eats Limited to another company at a price of Baht 10 per share, or for a total of Baht 4.3 million, with the Group recognising a gain on the sale of this investment of Baht 2.3 million in profit or loss in the consolidated statement of comprehensive income. The sale of investment resulted in a decrease in the Company's shareholding in Nove Eats Limited from 51% to 8%, and the Group has not participated in management of such company since then. The Group has, therefore changed the classification of the investment in Nove Eats Limited from investment in subsidiary to investment in equity instruments designated at FVOCI.

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 Group has completed the process of measuring the fair value at the acquisition date of the identifiable assets and liabilities acquired and the assumed of Indeem Group Limited and goodwill during the year 2022. 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
Goodwill from business acquisition	-

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 Group has completed the process of measuring the fair value at the acquisition date of the identifiable assets and liabilities acquired and the assumed of Botany Petcare Company Limited and goodwill during the year 2022. 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
Cost of investment in subsidiary (66.7 percent)	36
Goodwill from business acquisition	5

Ekold Limited

In March 2022, a subsidiary invested in 60 percent interest in Ekold Limited, which has a registered capital of Baht 5 million (500,000 ordinary shares of Baht 10 each), with full amount to be called and the subsidiary made payment for the shares in its proportionate shareholding.

In November 2022, a Subsidiary disposed all ordinary shares of Ekold Limited, totaling Baht 3 million to third party. the Group recognising a gain on the sale of this investment of Baht 5.2 million in profit or loss in the consolidated statement of comprehensive income.

Indeem International Limited

In April 2022, a subsidiary invested in 100 percent interest in Indeem International Limited, which has a registered capital of Baht 1 million (10,000 ordinary shares of Baht 100 each). The capital was fully called up and the subsidiary made payment for the shares in proportionate to its shareholding.

Subsequently, in July 2022, Indeem International Limited registered an increase in its share capital 790,000 ordinary shares with a par value of Baht 100 per share. Indeem International Limited called up 31.65% of the additional registered capital, or a total of Baht 25 million and the subsidiary made payment for the shares, with no change in its proportionate shareholding.

Regeneration Investment Holdings (Singapore) Limited

In May 2022, a subsidiary invested in 100 percent interest in Regeneration Investment Holdings (Singapore) Limited, which has a registered capital of USD 1 or Baht 34 (1 ordinary share of USD 1 each).

Regeneration Capital (Cayman) Limited

In June 2022, a subsidiary invested in a 100 percent interest in Regeneration Capital (Cayman) Limited (RC-Cayman), which has a registered capital of USD 50,000 or Baht 1.7 million (50,000 ordinary shares of USD 1 each).

In July 2022, a subsidiary invested USD 3,048,937 or Baht 110 million (3,048,937 ordinary share of USD 1 each) in additional paid-up shares of RC-Cayman by transferring ordinary shares of Golden Triangle Health Co., Ltd. and Boosted Ecommerce Inc. with a fair value of the transfer date of Baht 93 million and Baht 17 million, respectively. There was no change in the subsidiary's proportionate shareholding in this company.

15. Investment in joint venture

On 25 August 2021, a subsidiary and Innobio (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.

In March 2022, Nutra Regenerative Protein Company Limited (NRPT) called up the second tranche of the share capital, which was 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, with no change in its proportionate shareholding.

Subsequently, in September 2022, Nutra Regenerative Protein Company Limited (NRPT) called up the remaining tranche of the share capital, which was Baht 150 million. The subsidiary paid in share capital in proportion to its interest, amounting to Baht 75.0 million, with no change in its proportionate shareholding.

15.1 Details of investment in joint venture

(Unit: Thousand Baht)								
Consolidated financial statements								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2022	2021	2022	2021	2022	2021
			(%)	(%)				
Nutra Regenerative Protein Company Limited	Manufacture and distribution of plant based food	Thailand	50	50	150,000	37,500	139,955	36,717
Total					150,000	37,500	139,955	36,717

15.2 Share of comprehensive income

During the years, the Company has recognised its share of loss from investments in joint venture in the consolidated financial statements as follows:

Joint venture	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of loss from investment in joint venture during the year	
	2022	2021
Nutra Regenerative Protein Company Limited	(9,262)	(783)
Total	(9,262)	(783)

16. Investments in associates

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
Cost for acquisition in ordinary shares of Golden Triangle Health Co., Ltd.	127

In July 2022, the Company transferred investment in Golden Triangle Health Co., Ltd. (GTH) with a fair value at the transfer date of Baht 93 million as payment for the increase in the called-up capital of Regeneration Capital Limited (RCL). Subsequently, RCL transferred the ordinary shares of GTH to make payment for the increase in the called-up capital of Regeneration Capital (Cayman) Limited (RC-Cayman), as described in note 14.2 to the financial statements.

In September 2022, RC-Cayman sold 9,360,000 ordinary shares of GTH to another company for Baht 200 million, with the Group recognising a gain on sale of investment of Baht 128 million in profit or loss in the consolidated statement of comprehensive income. The sale resulted in a decrease in shareholding in GTH from 75 % to 10%. The Group classified this investment as investment in equity instruments designated at FVOCI.

16.1 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	
			2022	2021	2022	2021	2022	2021
			(%)	(%)				
Plant and Bean Ltd.	Manufacture and distribution of plant based food	The United Kingdom	25	25	198,000	198,000	89,585	152,918
Golden Triangle Health Co., Ltd.	Manufacture and distribution of plant based food	Thailand	-	75	-	92,947	-	88,867
Total					198,000	290,947	89,585	241,785

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2022	2021	2022	2021
			(%)	(%)		
Golden Triangle Health Co., Ltd.	Manufacture and distribution of plant based food	Thailand	-	75	-	92,947
Total					-	92,947

16.2 Share of comprehensive income

During the years, the Group 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 during the year		Share of other comprehensive income from investments in associates during the year	
	2022	2021	2022	2021
Plant and Bean Ltd.	(57)	(49)	(6)	14
Golden Triangle Health Co., Ltd.	(6)	(4)	-	-
Total	(63)	(53)	(6)	14

16.3 Summarised financial information about material associates

Summarised information about financial position as at 31 December 2022 and 2021 are as follows.

	(Unit: Million Baht)			
	Plant and Bean Ltd.		Golden Triangle Health Co., Ltd.	
	2022	2021	2022	2021
Current assets	53	98	-	27
Non-current assets	861	824	-	6
Current liabilities	(655)	(389)	-	(3)
Non-current liabilities	(93)	(115)	-	-
Net assets	166	418	-	30
Shareholding percentage (%)	25%	25%	-	75%
Share of net assets	42	105	-	22
Unallocated cost of business acquisition	-	-	-	67
Goodwill	48	48	-	-
Carrying amounts of associates based on equity method	90	153	-	89

Summarised information about comprehensive income

	Plant and Bean Ltd.		Golden Triangle Health Co., Ltd.	
	For the year ended 31 December 2022	For the year ended 31 December 2021	For the period as from	For the period as from
			1 January 2022 to	19 October 2021 to
			30 September 2022	31 December 2021
Revenue	225	234	-	1
Loss from continuing operations	(229)	(196)	(8)	(4)
Other comprehensive income	(23)	54	-	-
Total comprehensive income	(252)	(142)	(8)	(4)

17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicle	Assets under installation and construction	
Cost:							
1 January 2021	183,498	485,929	537,828	40,907	10,134	1,012	1,259,308
Acquisition of subsidiary during the year (Note 14)	-	1,398	-	2,059	-	-	3,457
Additions	-	435	7,391	3,838	-	27,498	39,182
Disposals / write-off	-	-	(48,305)	(1,975)	-	-	(50,280)
Transfers in (out)	15	3,486	6,569	1,189	-	(11,239)	-
31 December 2021	183,513	491,248	503,483	45,998	10,134	17,271	1,251,647
Additions	-	5,398	23,768	68,418	63	182,992	280,639
Disposals / write-off	-	(722)	(6,675)	(373)	-	-	(7,770)
Decrease from sales of subsidiaries	-	-	(971)	(80,562)	-	-	(81,533)
Transfers in (out)	1,200	111,779	80,079	4,712	-	(197,770)	-
Transfer from right-of-use assets (Note 18)	-	-	-	-	2,575	-	2,575
31 December 2022	184,713	607,703	599,684	58,193	12,772	2,493	1,485,558
Accumulated depreciation:							
1 January 2021	-	223,622	374,465	26,417	8,719	-	633,223
Acquisition of subsidiary during the year (Note 14)	-	608	-	1,074	-	-	1,682
Depreciation for the year	-	16,974	28,978	5,669	166	-	51,785
Depreciation on disposals/ write-off	-	-	(22,061)	(208)	-	-	(22,269)
31 December 2021	-	241,204	381,380	32,952	8,885	-	684,421
Depreciation for the year	-	19,319	27,540	12,139	195	-	59,193
Depreciation on disposals/ write-off	-	(58)	(5,402)	(322)	-	-	(5,782)
Decrease from sales of subsidiaries	-	-	(131)	(5,408)	-	-	(5,539)
Transfer from right-of-use assets (Note 18)	-	-	-	-	2,189	-	2,189
31 December 2022	-	260,465	403,387	39,361	11,269	-	714,482
Net book value:							
31 December 2021	183,513	250,038	123,976	11,179	1,249	17,271	587,226
31 December 2022	184,713	347,238	196,297	18,832	1,503	2,493	751,076
Depreciation for the year							
2021 (Baht 42 million included in manufacturing cost, and the balance in selling and administrative expenses)							51,785
2022 (Baht 28 million included in manufacturing cost, and the balance in selling and administrative expenses)							59,193

(Unit: Thousand Baht)

Separate financial statements							
	Land	Buildings and improvement	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicle	Assets under installation and construction	Total
Cost:							
1 January 2021	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	3,485	6,569	1,169	-	(11,239)	-
31 December 2021	119,720	346,716	349,897	30,007	5,315	517	852,172
Additions	-	-	3,658	2,061	-	16,608	22,517
Disposals/write-off	-	(723)	(3,717)	(373)	-	-	(4,813)
Transfers in (out)	1,200	5,767	3,694	4,065	-	(14,726)	-
Transfer from right-of-use assets (Note 18)	-	-	-	-	2,209	-	2,209
31 December 2022	120,920	351,760	353,732	35,750	7,524	2,399	872,085
Accumulated depreciation:							
1 January 2021	-	174,001	263,123	15,679	3,900	-	456,703
Depreciation for the year	-	9,608	18,138	4,658	186	-	32,570
Depreciation on disposals/ write-off	-	-	(1,854)	(24)	-	-	(1,878)
31 December 2021	-	183,609	279,407	20,313	4,086	-	487,395
Depreciation for the year	-	9,738	15,665	4,882	186	-	30,471
Depreciation on disposals/ write-off	-	(57)	(3,717)	(322)	-	-	(4,096)
Transfer from right-of-use assets (Note 18)	-	-	-	-	2,189	-	2,189
31 December 2022	-	193,290	291,355	24,873	6,441	-	515,959
Net book value:							
31 December 2021	119,720	163,107	70,490	9,694	1,249	517	364,777
31 December 2022	120,920	158,470	62,377	10,877	1,083	2,399	356,128
Depreciation for the year							
2021 (Baht 25 million included in manufacturing cost, and the balance in selling and administrative expenses)							32,570
2022 (Baht 22 million included in manufacturing cost, and the balance in selling and administrative expenses)							30,471

As at 31 December 2022, 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 304 million (2021: Baht 305 million) (The Company only: Baht 239 million, 2021: Baht 238 million).

The Group has mortgaged land and structures thereon and machinery amounting to approximately Baht 185 million (2021: Baht 138 million), as collateral against credit facilities received from financial institutions as described in Note 23 to the financial statements.

18. Leases

The Group has lease contracts used in its operations. Leases generally have lease terms between 2 - 5 years.

18.1 Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2022 and 2021 are summarised below:

	Consolidated			(Unit: Thousand Baht)	
	financial statements			Separate	
	Buildings and building improvement	Motor vehicles	Total	Motor vehicles	Total
1 January 2021	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
Additions	-	5,520	5,520	1,253	1,253
Transfer to property, plant and equipment - net book value as at transfer date (Note 17)	-	(386)	(386)	(20)	(20)
Depreciation for the year	(1,640)	(3,391)	(5,031)	(2,180)	(2,180)
31 December 2022	2,183	9,346	11,529	4,629	4,629

18.2 Lease liabilities

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Lease payments	11,630	11,347	4,841	5,261
Less: Deferred interest expenses	(823)	(925)	(395)	(545)
Total	10,807	10,422	4,446	4,716
Less: Portion due within one year	(3,718)	(3,723)	(1,347)	(1,496)
Lease liabilities - net of current portion	7,089	6,699	3,099	3,220

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	10,422	9,405	4,716	6,726
Additions	5,520	5,496	1,252	-
Accretion of interest	560	520	251	352
Repayments	(5,695)	(4,999)	(1,773)	(2,362)
Balance at end of year	10,807	10,422	4,446	4,716

A maturity analysis of lease payments is disclosed in Note 39.2 under the liquidity risk.

18.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	5,031	5,226	2,180	2,675
Interest expense on lease liabilities	560	520	251	352
Expense relating to leases of low-value assets	1,835	557	227	216
Expense relating to variable lease payments that do not depend on an index or a rate	3,187	2,808	3,187	2,808

The Company has lease contracts for equipment that contains variable payments as described in Note 37.2 to the financial statement.

18.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 11 million (2021: Baht 8 million) (The Company only: Baht 5 million, 2021: Baht 5 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.

19. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements					
	Computer software	Customer relationships	Trade name	Computer software under installation	Others	Total
Cost:						
1 January 2021	23,691	1,412,448	213,367	-	1,413	1,650,919
Acquisition of subsidiary during the year (Note 14)	-	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	200	1,413	2,197,469
Addition	6,878	-	31,745	9,215	420	48,258
31 December 2022	40,774	1,414,491	779,214	9,415	1,833	2,245,727
Accumulated amortisation:						
1 January 2021	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
Amortisation for the year	1,914	56,654	50,415	-	150	109,133
Translation adjustments	-	-	(17,522)	-	-	(17,522)
31 December 2022	9,690	325,189	75,175	-	483	410,537
Net book value:						
31 December 2021	26,120	1,145,956	705,187	200	1,080	1,878,543
31 December 2022	31,084	1,089,302	704,039	9,415	1,350	1,835,190

(Unit: Thousand Baht)

	Separate financial statements				
	Computer software	Customer relationships	Trade name	Prototype	Total
Cost:					
1 January 2021	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
Addition	3,946	-	-	-	3,946
31 December 2022	26,596	1,412,448	213,367	1,413	1,653,824
Accumulated amortisation:					
1 January 2021	4,944	211,868	-	192	217,004
Amortisation for the year	1,515	58,498	-	141	58,154
31 December 2021	6,459	268,366	-	333	275,158
Amortisation for the year	1,593	56,496	-	141	58,232
31 December 2022	8,052	324,864	-	474	333,390
Net book value:					
31 December 2021	16,191	1,144,082	213,367	1,080	1,374,720
31 December 2022	18,544	1,087,584	213,367	939	1,320,434

20. Goodwill and intangible assets with indefinite useful lives

Movements of goodwill and intangible assets with indefinite useful lives for the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cost				
Beginning balance	458,347	455,003	455,003	455,003
Acquisitions of subsidiaries during the year	-	3,344	-	-
Transfer from unallocated cost of business acquisition	4,699	-	-	-
Ending balance	463,046	458,347	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	Botany Petcare Company Limited	Total
Goodwill	241,636	3,344	4,699	249,679
Trade name (Note 19)	213,367	-	-	213,367
Total	455,003	3,344	4,699	463,046

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.

A goodwill of Baht 8 million arose when the Company and its subsidiary acquired common shares of City Food Company Limited and Botany Petcare Company Limited at the price higher than the net fair value of the identifiable assets, liabilities and contingent liabilities of the two companies in proportion to its investments as at the acquisition date.

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	Botany Petcare Company Limited
Terminal growth rates	0	0	0
Discount rates	12	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.

21. Bank overdrafts and short-term loans from financial institution

As at 31 December 2022 and 2021, bank overdrafts and short-term loans from financial institution are summarised below.

	Interest rate		Consolidated		(Unit: Thousand Baht)	
	(percent per annum)		financial statements		Separate	
	2022	2021	2022	2021	2022	2021
Bank overdrafts	11.97	-	4,014	-	-	-
Promissory notes	2.60 - 3.50	2.00 - 2.35	150,000	140,000	100,000	140,000
Total			154,014	140,000	100,000	140,000

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.

A subsidiary's bank overdrafts are guaranteed by the mortgage of a subsidiary shareholder's land.

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 2022, the bank overdrafts and short-term credit facilities of the Group which have not yet been drawn down amounted to Baht 900 million (2021: Baht 860 million) (the Company only: Baht 900 million, 2021: 860 million).

22. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade accounts payables - related party	1,458	11,325	79	-
Trade accounts payables - unrelated parties	124,124	135,304	75,910	93,061
Other payables - related parties	43	-	-	15
Other payables - unrelated parties	16,945	97,816	10,153	10,445
Unearned revenue	3,281	14,362	2,733	11,945
Accrued expenses - related party	-	51	91	-
Accrued expenses - unrelated parties	71,782	55,767	37,648	24,152
Total trade and other payables	217,633	314,625	126,614	139,618

23. Long-term loans

Loans	Interest rate (%)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated financial statements		Separate financial statements	
			2022	2021	2022	2021
1	3.85	Repayment in monthly installments commencing in October 2021, with the final installment due in September 2026	144,158	176,603	144,158	176,603
2	3.00	Full repayment of principal is to be made in February 2023	59,047	83,982	59,047	83,982
3	3.95	Repayment in monthly installments commencing in August 2022, with the final installment due in July 2025	43,404	-	-	-
Total			246,609	260,585	203,205	260,585
Less: Deferred financial fees			(1,115)	(2,032)	(1,115)	(2,032)
Total long-term loans			245,494	258,553	202,090	258,553
Less: Current portion			(113,244)	(36,262)	(96,965)	(36,262)
Long-term loans, net of current portion			132,250	222,291	105,125	222,291

Movements of the long-term loans account during the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	258,553	62,939	258,553	-
Add: Additional borrowing during the year	50,000	252,325	-	252,325
Less: Repayment during the year	(66,940)	(71,439)	(60,344)	(8,500)
Less: Prepaid financial fees	-	(2,738)	-	(2,738)
Add: Amortisation of deferred financial fees	917	706	917	706
Add: Unrealised loss on exchange	2,964	16,760	2,964	16,760
Ending balance	245,494	258,553	202,090	258,553

Loan 1 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 2022, loans of the Group are secured by mortgage of land and construction thereon and machinery 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.

24. 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.

On 20 October 2022, the Company issued 1,300,000 unsecured debentures with early redemption rights, with a face value of Baht 1,000 per unit. These were offered to institutional investors and high net worth investors and the Company has received a total of Baht 1,300 million from the issue. The debentures have a term of 2 years 6 months and a coupon rate of 6.75% per annum, with interest payments scheduled quarterly. They were approved by the Board of Director of the Company on 5 September 2022.

As at 31 December 2022 and 2021, debentures are summarised below.

(Unit: Thousand Baht)						
Debentures	Period	Date of		Interest Rate	Consolidated financial statements /	
		issuance	Maturity date		Separate financial statements	
					2022	2021
				(% per annum)		
1	2 years	23 July 2021	23 July 2023	6.50	700,000	700,000
2	2 years 6 months	20 October 2022	20 April 2025	6.75	1,300,000	-
Total					2,000,000	700,000
Less: Deferred debenture issuance costs					(21,417)	(8,687)
Net long-term debentures					1,978,583	691,313
Less: Current portion					(696,895)	-
Long-term debentures - net of current portion					1,281,688	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 debentures at the rate prescribed.

Movements of long-term debentures account during the years 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements /	
	Separate financial statements	
	2022	2021
Beginning balance	691,313	-
Add: Issuance debentures during the year	1,300,000	700,000
Less: Prepaid debenture issuance costs	(19,903)	(11,615)
Add: Amortisation of debenture issuance costs	7,173	2,478
Ending balance	1,978,583	691,313

25. 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		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Provision for long-term employee benefits				
at beginning of year	19,340	15,342	18,116	14,847
Acquisition of subsidiary during the year				
(Note 14)	-	85	-	-
Included in profit or loss:				
Current service cost	3,235	3,630	2,571	3,004
Interest cost	328	283	291	265
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumption changes	(102)	-	-	-
Experience adjustments	700	-	-	-
Provision for long-term employee benefits				
at end of year	23,501	19,340	20,977	18,116

As at 31 December 2022 and 2021, the Group expects that no payment of long-term employee benefits during the next year (The Company only: Nil).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefits of the Group's daily and monthly employees are 9 - 22 years (2021: 9 - 19 years) (The Company only: 9 - 15 years, 2021: 9 - 15 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		(Unit: percent per annum) Separate financial statements	
	2022	2021	2022	2021
Discount rate	1.17 - 3.75	1.17 - 3.19	1.17 - 1.49	1.17 - 1.49
Salary increase rate	1.83 - 8.21	1.83 - 8.21	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 2022 and 2021 are summarised below:

	(Unit: Million Baht) Consolidated financial statements			
	2022		2021	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1.12)	1.20	(0.99)	1.06
Salary increase rate	1.37	(1.29)	1.12	(1.04)
Turnover rate	(1.42)	1.53	(1.15)	1.24

	(Unit: Million Baht) Separate financial statements			
	2022		2021	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1.01)	1.08	(0.93)	1.00
Salary increase rate	1.24	(1.16)	1.05	(0.98)
Turnover rate	(1.27)	1.37	(1.08)	1.16

26. Share capital

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 ordinary shares of the Company not exceeding 67,789,015 units, 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 2022, the Company had 67,789,015 units of unexercised warrants.

27. 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.

28. 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 2022, the Company set aside the statutory reserve amounting to Baht 6 million (2021: Baht 11 million).

29. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expenses on borrowings and long-term debentures	95,070	63,306	87,503	46,623
Interest expenses on lease liabilities	560	520	251	352
Total	95,630	63,826	87,754	46,975

30. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Salaries and wages and other employee benefits	293,142	272,570	222,914	235,172
Depreciation	64,224	57,010	32,651	35,245
Amortisation expenses	109,133	99,518	58,232	58,154
Freight expenses	109,785	87,182	14,918	16,648
Consulting fees	90,938	51,234	14,235	21,684
Utility expenses	29,921	19,369	19,688	18,598
Raw materials and consumables used	678,367	700,506	623,754	686,290
Changes in inventories of finished goods and semi-finished goods	13,914	(25,458)	35,939	(1,426)

31. Income tax

Income tax expenses for the year ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge	61,943	95,615	45,403	77,207
Deferred tax:				
Relating to origination and reversal of temporary differences	(8,482)	(23,810)	(16,313)	(8,117)
Income tax expense reported in profit or loss	53,461	71,805	29,090	69,090

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax relating to				
Actuarial losses	(120)	-	-	-
Loss from the change in value of financial assets measured at FVOCI	(13,015)	(18,862)	(13,393)	(368)
	(13,135)	(18,862)	(13,393)	(368)

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit before tax	321,048	293,252	146,016	273,809
Applicable tax rate (percent)	0 - 25	0 - 24	20	20
Accounting profit before tax multiplied by income tax rate	35,472	59,697	29,203	54,762
Effect of preparation the consolidated financial statements	13,988	4,312	-	-
Deferred tax assets which were not recognised during the year	4,855	606	-	-
Previously deductible temporary differences that is used to reduce current tax expenses	-	(7,567)	-	-
Effects of:				
Promotional privileges	(2,274)	-	-	-
Non-deductible expenses	291	14,569	121	14,132
Additional expense deductions allowed	(249)	-	(234)	-
Others	1,378	188	-	196
Total	(854)	14,757	(113)	14,328
Income tax expense reported in profit or loss	53,461	71,805	29,090	69,090

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit losses	833	393	558	348
Allowance for diminution in value of inventories	2,792	3,305	1,398	1,897
Unused tax losses	8,999	10,120	-	-
Provision for long-term employee benefits	4,640	3,868	4,195	3,623
Unrealised fair value loss on investments	37,257	26,255	17,506	-
Accumulated amortisation - intangible assets	5,648	3,353	-	-
Others	374	120	3	4
Total	60,543	47,414	23,660	5,872
Deferred tax liabilities				
Customer relationships	217,517	229,191	217,517	228,817
Trade name	42,673	42,673	42,673	42,673
Surplus on revaluation of assets	28,760	28,090	19,982	19,977
Unrealised fair value gain on investments	-	-	-	623
Total	288,950	299,954	280,172	292,090

As at 31 December 2022, a subsidiary has unused tax losses totaling Baht 37 million (2021: Baht 11 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 82 million (2021: Baht 62 million) will expire in the year 2023 to 2027 (2021: in year 2022 to 2026).

32. Promotional privileges

The Group have been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of the Group are as follows:

1. Certificate No.	59-0881-1-00-1-0	65-0943-1-22-1-0	65-0439-1-00-1-0
2. Promotional privileges for	manufacture of beverage from cereal	manufacture sauces and dipping sauce.	manufacture of pet foods
3. The significant privileges are			
3.1 Exemption from corporate income tax for profit from promoted operations and exemption from income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted. If losses are incurred during the corporate income tax exemption period, the Company is allowed to utilise the losses as a deduction against profit for up to five years after the expiry of the tax exemption period.	6 years (Exemption limited 100 percent to investment excluding in land and working capital)	3 years (Exemption limited 50 percent to investment excluding in land and working capital)	6 years (Exemption limited 100 percent to investment excluding in land and working capital)
3.2 Exemption from import duty on machinery approved by the board	Expired	Granted	Granted
4. Date of first earning operating income	19 February 2018 (Cancelled)	3 August 2022	25 August 2022

The Group's operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	2022	2021	2022	2021	2022	2021
Sales	178,880	5,560	2,115,512	2,094,467	2,294,392	2,100,027
Other income	591	1,350	324,700	216,866	325,291	218,216
Total sales	179,471	6,910	2,440,212	2,311,333	2,619,683	2,318,243

33. 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 weighted average number of ordinary shares in issue during the year.

Diluted earnings per share was calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year 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	
	2022	2021	2022	2021
Profit attributable to equity holders of the Company (Thousand Baht)	285,224	220,784	116,927	204,719
Weighted average number of ordinary shares (Thousand shares)	1,417,654	1,411,916	1,417,654	1,411,916
Basic earnings per share (Baht)	0.20	0.16	0.08	0.14

No diluted earnings per share is presented in the statements of comprehensive income for the year ended 31 December 2022 and 2021 because the exercise price of NRF-W1 exceeds the average market price of ordinary shares.

34. 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 is 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 2022 and 2021.

	(Unit: Million Baht)					
	Thailand		Overseas		Consolidated	
	2022	2021	2022	2021	2022	2021
Sales from external customers	1,962	1,822	332	278	2,294	2,100
Other income	196	218	129	-	325	218
Total revenues	2,158	2,040	461	278	2,619	2,318
Cost of sales	1,182	1,191	71	53	1,253	1,244
Selling and distribution expenses	236	145	152	116	388	261
Administrative expenses	252	194	99	59	351	253
Depreciation and amortisation	124	117	49	40	173	157
Total expenses	1,794	1,647	371	268	2,165	1,915
Profit from operating activities	364	393	90	10	454	403
Share of loss from investment in associates and joint venture	(72)	(54)	-	-	(72)	(54)
Finance income	32	8	3	-	35	8
Finance cost	(92)	(52)	(4)	(12)	(96)	(64)
Income tax income (expenses)	(62)	(72)	9	-	(53)	(72)
Profit (loss) for the year	170	223	98	(2)	268	221

Geographic information

Revenue from external customers is based on locations of the customers in consolidated financial statements for the years ended 31 December 2022 and 2021 presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Revenue from external customers				
Thailand	567,348	340,675	206,745	193,256
America	975,960	986,728	422,355	476,322
Europe	459,519	489,742	434,604	458,955
Asia	176,677	160,847	134,627	123,507
Others	114,888	122,035	114,889	122,035
Total	2,294,392	2,100,027	1,313,220	1,374,075

Major customer

For the year 2022, the Group has revenue from one major customer in amount of Baht 206 million (2021: Baht 226 million).

35. 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 2022 amounting to Baht 3.3 million (2021: Baht 3.3 million) were recognised as expenses.

36. 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

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2021	Annual General Meeting of the shareholders on 22 April 2022	58,122	0.041
Total dividends for the year 2022		58,122	0.041

37. Commitments and contingent liabilities

37.1 Capital commitments

As at 31 December 2022, the Group had capital commitments relating to buildings improvement and purchase of machinery and equipment of Baht 17.7 million (2021: Baht 1.3 million) (the Company only: Baht 8.5 million (2021: Baht 1.3 million)) and in respect of the uncalled investments amounting to USD 0.2 million and EUR 1.9 million (2021: USD 0.5 million) (the Company only: Nil (2021: USD 0.5 million)).

37.2 Commitments of power purchase and sale

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 2022 amounted to Baht 3.2 million (2021: Baht 2.8 million).

37.3 Guarantees

As at 31 December 2022, there was outstanding bank guarantee of approximately Baht 3 million (2021: Baht 3 million) (the Company only: Baht 2 million, 2021: Baht 2 million) issued by banks on behalf of the Group to guarantee electricity use and approximately Baht 1 million (2021: Baht 1 million) to guarantee export credit of the subsidiary.

38. Fair value hierarchy

As at 31 December 2022 and 2021, 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 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	-	-	17.0	17.0
Financial assets measured at FVOCI				
Equity investments	-	149.1	245.4	394.5
Derivatives				
Foreign exchange forward contracts	-	0.9	-	0.9
Cross currency swap contract	-	7.8	-	7.8

(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 investment	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 exchange forward contracts	-	0.2	-	0.2

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	-	-	0.9	0.9
Financial assets measured at FVOCI				
Equity investments	-	-	69.8	69.8
Derivatives				
Foreign exchange forward contracts	-	0.9	-	0.9
Cross currency swap contract	-	7.8	-	7.8

(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 investment	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 exchange forward contracts	-	0.2	-	0.2

39. Financial instruments

39.1 Derivatives

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	906	-	906	-
Cross currency swaps contract	7,807	10,858	7,807	10,858
Total derivative assets	8,713	10,858	8,713	10,858
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.

39.2 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 debentures. 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 lending 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 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
The Company						
US dollar	4.5	10.4	6.0	8.0	34.5624	33.4199
Euro	0.4	0.2	0.6	-	36.8274	37.8948
Pound sterling	0.5	0.5	-	-	41.6639	45.0984
Subsidiaries						
US dollar	17.2	3.4	-	-	34.5624	33.4199
Euro	3.1	1.8	-	-	36.8274	37.8948
Pound sterling	10.7	5.8	-	-	41.6639	45.0984

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar, Euro 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 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2022		2021	
	Change in FX	Effect on profit	Change in FX	Effect on profit
	rate	before tax	rate	before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+3	16,356	+3	13,374
	-3	(16,356)	-3	(13,374)
Euro	+3	3,833	+3	-
	-3	(3,833)	-3	-
Pound sterling	+3	13,955	+3	8,400
	-3	(13,955)	-3	(8,400)

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, other current financial asset, 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 2022 and 2021, 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						Non-interest bearing				Total		Effective interest rate	
	Within 1 year		1 - 5 years		Floating interest rate		2022		2021		2022		2022	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
(Percent per annum) (Percent per annum)														
Financial assets														
Cash and cash equivalent	-	-	-	-	427	309	11	-	-	-	438	309	0.050 - 0.400	0.050 - 0.250
Trade and other receivables	-	-	-	-	-	-	884	498	-	-	884	498	-	-
Other current financial assets	345	-	-	-	-	-	1	-	-	-	346	-	3.000	-
Deposits at bank with restrictions	-	-	-	-	35	35	-	-	-	-	35	35	1.000 - 1.750	1.000 - 1.750
Loans to other parties	1	-	33	-	-	-	34	-	-	-	68	-	6.500 - 7.000	-
Loans to associate	-	258	393	-	-	-	-	-	-	-	393	258	3.700 - 7.500	3.700
Other non-current financial assets	-	-	-	-	-	-	419	288	-	-	419	288	-	-
	346	258	426	-	462	344	1,349	786	-	-	2,583	1,388	-	-
Financial liabilities														
Bank overdrafts and short-term loans from financial institution	154	140	-	-	-	-	-	-	-	-	154	140	2.600 - 11.970	2.000 - 2.350
Trade and other payables	-	-	-	-	-	-	218	315	-	-	218	315	-	-
Long-term loans	113	38	132	222	-	-	-	-	-	-	245	258	3.000 - 3.950	3.000 - 3.850
Long-term debentures	697	-	1,282	691	-	-	-	-	-	-	1,979	691	6.500 - 6.750	6.500
Lease liabilities	4	4	7	6	-	-	-	-	-	-	11	10	2.060 - 7.554	3.852 - 5.103
	968	180	1,421	919	-	-	218	315	-	-	2,607	1,414	-	-

Interest rate sensitivity

As at 31 December 2022 and 2021, 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 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	As at 31 December 2022					
	Consolidated financial statements			Separate financial statements		
	Less than	1 to 5	Total	Less than	1 to 5	Total
	1 year	years		1 year	years	
Non-derivatives						
Bank overdrafts and short-term loans from financial institutions	154,497	-	154,497	100,463	-	100,463
Trade and other payables	217,633	-	217,633	126,614	-	126,614
Lease liabilities	4,164	7,466	11,630	1,565	3,276	4,841
Long-term loans	119,201	138,343	257,544	101,500	110,316	211,816
Long-term debentures	813,055	1,414,195	2,227,250	813,055	1,414,195	2,227,250
Total non-derivatives	1,308,550	1,560,004	2,868,554	1,143,197	1,527,787	2,670,984

(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

39.3 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.

39.4 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 2021	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
Acquired during the year	-	301,260	301,260
Addition from the change in status of investments	-	11,439	11,439
Disposed during the year	(2,079)	(35,907)	(37,986)
Net gain recognised into profit or loss	29	-	29
Net loss recognised into other comprehensive income	-	(49,319)	(49,319)
Translation adjustments	(533)	(491)	(1,024)
Balance as of 31 December 2022	16,971	245,342	262,313

(Unit: Thousand Baht)

	Separate Financial Statements		
	Non-listed equity investments		
	FVTPL	FVOCI	Total
Balance as of 1 January 2021	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
Acquired during the year	-	138,000	138,000
Disposed during the year	-	(43)	(43)
Net gain recognised into profit or loss	29	-	29
Net loss recognised into other comprehensive income	-	(68,414)	(68,414)
Balance as of 31 December 2022	860	69,832	70,692

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

40. 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 2022, the Group's debt-to-equity ratio was 1.00:1 (2021: 0.64:1) and the Company's was 0.95:1 (2021: 0.55:1).

41. Events after the reporting period

On 27 February 2023, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2023 to pay a dividend of Baht 0.03 per share, or a total of Baht 43 million to shareholders in respect of the year 2022 profit. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2023.