

NSL FOODS

The Happy Taste Creator



Innovation leads to
Sustainable Growth



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Vision

**The Happy Taste Creator and
Nutrition Sustainable for Life**

Mission

- **Develop boundlessly innovative products**
- **Strive towards international eco-friendly manufacturing standards**
- **Create happiness and organizational commitment**
- **Respond to changes and develop towards sustainable growth**
- **Be a credible organization with good governance and sustainable development**

Business Objective

NSL has the goals of becoming the leader in food innovation, developing new, diverse and quality products, while being recognized as “The Happy Taste Creator”.

NSL seeks to encourage the growth in sales revenue by diversifying product lines, increasing the number of partners and points of sale, both domestic and international. Moreover, NSL has an objective to utilize technology and food innovation in developing new products that meet the demands of consumers, prioritizing convenience, cleanliness, good taste, nutritional values, fast preparation and reasonable prices. NSL also engages in the development of food products with high future growth potential such as healthy foods, foods for seniors and alternative protein food products.

At the same time, NSL will maintain the good partnerships with current business partners like 7-11, with a view to grow together going forward.

Part 1

Business Operations and Performance



Message from the Board of Directors and Executive Committee



S. Chrityakierne

Mrs. Suvimol Chrityakierne
Chairman of the Board

2022 is another challenging year for the Company to achieve our goal under recovered economic situation from COVID-19. The Company has endured thanks to the strong commitment and the business strategy that has been suitably planned and duly carried out and, in this year, there is new innovation product “KhowThang” “Rice Bar by NSL” that to be another alternative choice for consumers.

In 2022, the Company has continuous growth. The Company exhibited the revenue of 4,009.77 million THB, a 31.8% increase from the 3,042.88 million THB growth of the previous year. Moreover, the Company still has a net profit at 7.4% increase from 6.3% in 2021.



Somchai Asavapiyanond

Mr. Somchai Asavapiyanond
Chairman of the Executive Committee

The Company’s future growth shall continue into the future. This is owing to the strong commitment and the emphasis on good business administration; itself a factor of great importance that would lead to effective business management with transparency and accountability. The Company and all its personnel shall remain committed and do their best to ensure the accomplishments of the Company’s objectives and goals with the interest of all stakeholders in mind.

On behalf of the Board of Directors and the Executive Committee, we thank the customers, business and trading partners, shareholders, the Executive Committee and all the staff who have joined hands in supporting the operation of the Company ever. Please rest assured that the Company shall continue to grow and develop under the concept of “Nutrition Sustainable for Life.”

Board of Directors

1. Mrs. Suvimol Chrityakierne

Chairman of the Board / Independent Director

2. Assoc. Prof. Dr. Pannipa Rodwanna

Chairman of Audit Committee /
Independent Director

3. Mr. Chaiwut Jumnongsutasathien

Audit Committee / Independent Director

4. Mr. Anajak Limphaisan

Audit Committee / Independent Director



5. Mr. Somchai Asavapiyanond

Director / President /
Chairman of Executive Committee

6. Mr. Weerachon Khaophong

Director / Executive Vice President

7. Mr. Charoen Asavapiyanond

Director / VP Operation

8. Mr. Arkradej Liamcharoen

Director / Chief Financial Officer (CFO)

Profiles of Board of Directors



Mrs. Suvimol Chrityakierne

Chairman of the Board / Independent Director

Age 70 Years

Education / Diploma / Training Course

- BA in Accountancy, Chulalongkorn University
- MA in Accountancy, Chulalongkorn University
- DCP 92/2550 (2007)
- Diploma - Advanced Audit Committee Program (AACP) Batch 27/2560 (2017) by the Thai Institute of Directors

Shareholding Proportion (%)

- 0.01%

Relations with other executives / directors

- None

Experience

- 2019 - Present
Independent Director and Chairman of the Board / NSL Foods Public Co., Ltd.
- 2017 - Present
Independent Director and Audit Committee / Team Consulting Engineering and Management Public Co., Ltd.
- 2015 - Present
Independent Director and Chair of Audit Committee / Khonburi Sugar Public Co., Ltd.
- 2010 - Present
Director / DIA International Audit Co., Ltd.
- 2002 - Present
Director / 75 CPE Co., Ltd.
- 1990 - Present
Director / DIA Audit Co., Ltd.
- 1988 - Present
Director / Yongsomjai Co., Ltd.
- 1979 - 2009
Managing Partner / DIA International Audit Co., Ltd.
- 1976 - 1979
Assistant Auditor / Jaiyos Audit
- 1975 - 1976
Assistant Auditor / Cathay Finance Co., Ltd.



Assoc. Prof. Dr. Pannipa Rodwanna

Chairman of Audit Committee / Independent Director

Age 69 Years

Education / Diploma / Training Course

- BA in Accountancy, Chulalongkorn University
- MA in Accountancy, Chulalongkorn University
- M.S. Computer Information System, Assumption University
- Ph.D. in Accountancy, Chulalongkorn University
- Graduate Diploma in Auditing, Chulalongkorn
- DAP 167/2562 (2019)

Shareholding Proportion (%)

- None

Relations with other executives / directors

- None

Experience

- 2019 - Present
Independent Director and Chair of Audit Committee / NSL Foods Public Co., Ltd.
- 2013 - Present
Special Instructor, Faculty of Commerce and Accountancy / Chulalongkorn University
- 2014 - 2015
Deputy Dean for Administration, School of Agricultural Resources / Chulalongkorn University
- 2008 - 2013
Associate Professor / Chulalongkorn University
- 2004 - 2008
Assistant Professor / Chulalongkorn University
- 1996 - 2004
Professor / Chulalongkorn University
- 1979 - 1996
Manager / P.A. Accounting and Lawyer
- 1975 - 1979
Professor / Bangkok University



Mr. Chaiwut Jumnongsutasathien

Audit Committee / Independent Director

Age 45 Years

Education / Diploma / Training Course

- BA in Accountancy, Thammasat University
- MA in Business Administration, Kasetsart University
- DAP 161/2562 (2019)

Shareholding Proportion (%)

- 0.02%

Relations with other executives / directors

- None

Experience

- 2019 - Present
Independent Director and Audit Committee /
NSL Foods Public Co., Ltd.
- 2018 - Present
Independent Director /
Right Tunnelling Plc.
- 2018 - Present
Audit Partner / AST Master Co., Ltd.
- 2016 - Present
Director / SM Lertpipat Co., Ltd.
- 1999 - 2017
Audit Director / Deloitte Touche Tohmatsu
Jaiyos Audit Co., Ltd.



Mr. Anajak Limphaisan

Audit Committee / Independent Director

Age 38 Years

Education / Diploma / Training Course

- BA in Applied Statistics,
Chulalongkorn University
- BA in Laws, Ramkhamhaeng University
- MA in Advanced Studies in International
Tax Law (LL.M.), Leiden University
- DAP 165/2562 (2019)
- DCP 292/2563 (2020)
- CSP 115/2564 (2021)
- ACPG 57/2564 (2021)

Shareholding Proportion (%)

- None

Relations with other executives / directors

- None

Experience

- 2019 - Present
Independent Director and Audit Committee /
NSL Foods Public Co., Ltd.
- 2021 - Present
Company secretary / Taokaenoi Food and
Marketing Public Co., Ltd.
- 2020 - Present
Director in Legal Affairs / Taokaenoi Food and
Marketing Public Co., Ltd.
- 2019 - 2020
Deputy Managing Director for Management /
Polynet Co., Ltd.
- 2019
Director / GroupM Thailand Co., Ltd.
- 2015 - 2019
Lawyer / Kudun and Partners Co., Ltd.
- 2008 - 2012
Legal Advisor /
Tisco Financial Group Public Co., Ltd.



Mr. Somchai Asavapiyanond

Director / President / Chariman of Executive Committee

Age 62 Years

Education / Diploma / Training Course

- B.Sc. in Food Science, Kasetsart University
- MA in Business Administration, Thammasat University
- DAP 157/2562 (2019)

Shareholding Proportion (%)

- 71.67%

Relations with other executives / directors

- Mr. Charoen's Older Brother

Experience

- 2006 - Present
Director and President /
NSL Foods Public Co., Ltd.
- 2003 - 2018
Chairman and Managing Director /
Dough Maker Co., Ltd.



Mr. Weerachon Khaophong

Director / Executive Vice President

Age 54 Years

Education / Diploma / Training Course

- B.Sc. in Food Science, Kasetsart University
- MA in Business Administration, Thammasat University
- DAP 157/2562 (2019)

Shareholding Proportion (%)

- None

Relations with other executives / directors

- None

Experience

- 2020 - Present
Director and Executive Vice President /
NSL Foods Public Co., Ltd.
- 1999 - 2019
Managing Director /
Q&A Quality and Calibration Co., Ltd.
- 1991 - 1999
Head of Research /
TOA Dovechem Industries Co., Ltd.



Mr. Charoen Asavapiyanond

Director / VP Operation

Age 61 Years

Education / Diploma / Training Course

- BEng on Textile Chemistry Engineering, Rajamangala University of Technology
- DAP 157/2562 (2019)

Shareholding Proportion (%)

- 0.00%

Relations with other executives / directors

- Mr. Somchai's Younger Brother

Experience

- 2010 - Present
Director and VP Operation /
NSL Foods Public Co., Ltd.
- 1983 - 2010
Director / Bae Cheng Chig Co., Ltd.



Mr. Arkradej Liamcharoen

Director / Chief Financial Officer (CFO)

Age 62 Years

Education / Diploma / Training Course

- BA in Business Administration and Accountancy, Ramkhamhaeng University
- DAP 153/2561 (2018)
- CFO's Orientation Course for New IPOs Batch 4

Shareholding Proportion (%)

- 0.73%

Relations with other executives / directors

- None

Experience

- 2020 - Present
Director and CFO /
NSL Foods Public Co., Ltd.
- 1996 - 2019
Accounting and Tax Advisor / Freelance
- 1990 - 1996
Accounting Director / Mittraphap Product
Public Co., Ltd.
- 1984 - 1990
Head of Audit / DIA International Audit Co., Ltd.

The Executive Committee

1. Mr. Somchai Asavapiyanond

Director / President /
Chairman of Executive Committee

2. Mr. Charoen Asavapiyanond

Director / VP Operation

3. Mr. Weerachon Khaophong

Director / Executive Vice President

4. Mr. Arkradej Liamcharoen

Director / Chief Financial Officer (CFO)

5. Ms. Waewdao Tanavatsatiend

Executive Director /
VP Commercial - Export & Food Services



6. Mr. Visut Pornsalanu wattana

Executive Director /
VP Commercial - Brand & Business
Development

7. Ms. Phimnada Charoennaraphiwat

Executive Director / Assistant Vice President
(Sales and Marketing 7-11)

8. Ms. Nootchanart Riphim

Executive Director / Factory Manager

9. Ms. Sangdaun Tanavatsatiend

Executive Director / General Manager

10. Ms. Amporn Srihabud

Executive Director / General Manager

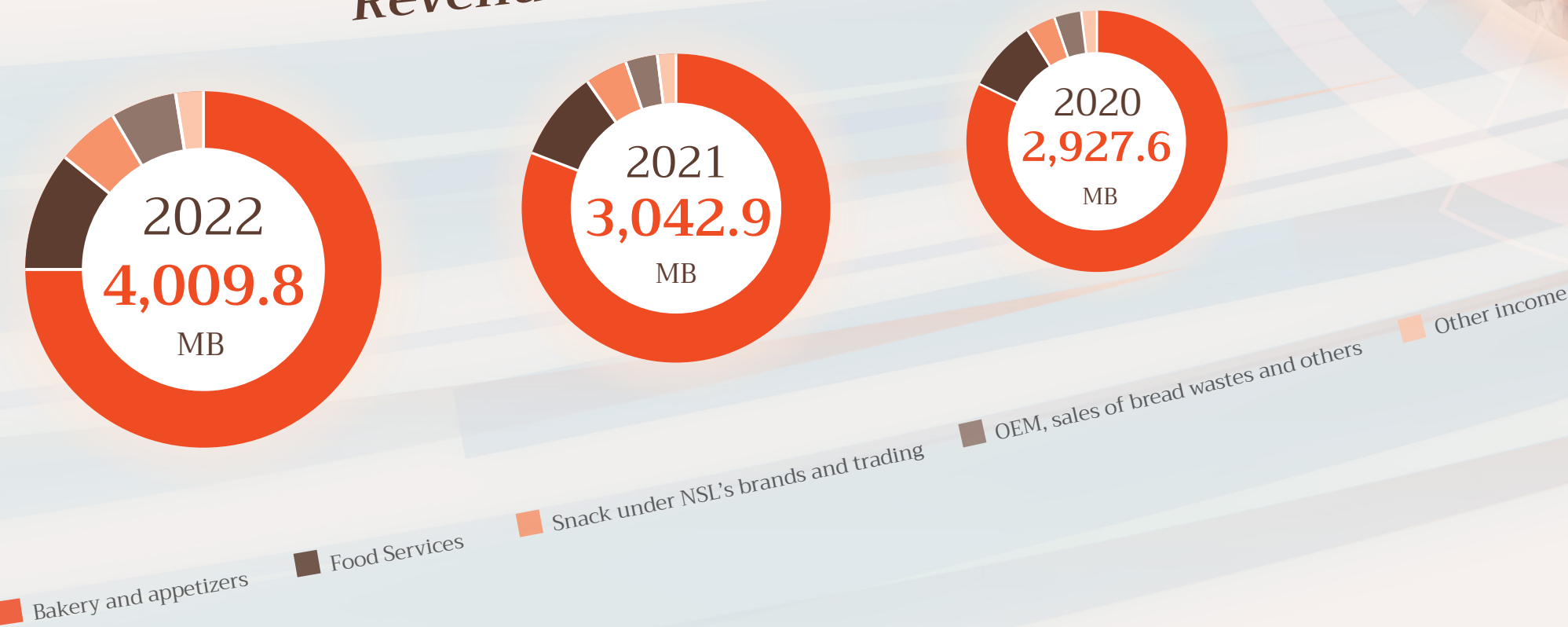
Business Operations Overview

Policy and Overview of Business Operations

With an interested in producing new types of food, not only delicious taste, but also wanted to be “The Happy Taste Creator,” delivering happiness through delicious foods. Believing that eating snacks and dessert make people happy and is a lifestyle for consumers who always look for the best choices, the NSL Foods Public Co., Ltd. began developing bread and pizza products, as well as ready-to-eat and reheated sandwiches, themselves the signature products of NSL. NSL is also a major supplier of 7-11, contributing to NSL’s rapid growth.



Revenue Overview



NSL has 2 main business sectors, as follows;

1. Bakery and snacks production and distribution included ready-to-eat food

can be divided into 2 main groups, which are;

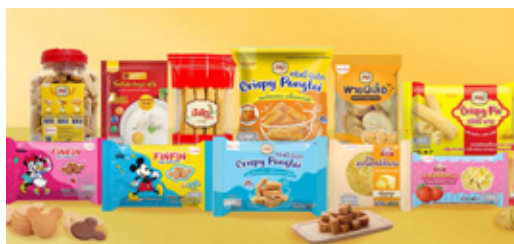
a. Bakery and light meal products

consist of bakery products that are mainly made from wheat flour, butter and bread flour. This line of bakery products includes baked bakery products, reheated bakery products, and ready-to-eat bakery products. Today, NSL is a producer of both bakery and light meal products such as Tuna Salad, and Imitation Crab Stick and Flying Fish Roe Salad, retailing via 7-11 stores nationwide under the brand names of “Ezy Taste”, “Ezy Sweet”, “Ezy Bake” and “7 Fresh”, all are trademarks of CPALL.



b. Snacks products included other bakery, dessert and food

are snacks that have been developed and produced under NSL’s company brands such as “Pangtai” baked crispy pie and butterfly pie, as well as the healthy snacks that include protein chips and fiber chips under the brand name of “Natural Bites” and new product developed this year “Rice Bar by NSL” that meet the needs of consumers in convenience and speed, without pouring, without mixing, but forming cooked rice into sticks. There is a filling in the middle and can be held and eaten in one hand for convenience during the rush hour. There are both savory and sweet menus that are suitable for children and adults. Moreover, NSL is stepping into a distributor of bakery and food products as well.



2. Food Services business

is a business sector that NSL has started investing since 2019, acknowledging the growth potential of this sector. Food Services comprise various types of meat processing such as scaling, fillet, and packaging to prepare the meat for cooking. Products include various types of fish, seafood (scallops, squids, shrimps, crab meat), beef, lamb, seaweed, Edamame and other frozen vegetables. Food Services also include importation, cutting / trimming and packaging of meat products, as well as the branding of products under other brand names such as “My Choice” by Tops. NSL also imports baking supplies and frozen bakery products. Thus, NSL’s Food Services business sources its products both from abroad and domestically.



Vision, Mission, Business Objective and Strategy

Vision

The Happy Taste Creator and Nutrition Sustainable for Life

Mission

Develop boundlessly innovative products

Strive towards international eco-friendly manufacturing standards

Create happiness and organizational commitment

Respond to changes and develop towards sustainable growth

Be a credible organization with good governance and sustainable development



Business Objective

NSL has the goals of becoming the leader in food innovation, developing new, diverse and quality products, while being recognized as “The Happy Taste Creator”

NSL seeks to encourage the growth in sales revenue by diversifying product lines, increasing the number of partners and points of sale, both domestic and international. Moreover, NSL has an objective to utilize technology and food innovation in developing new products that meet the demands of consumers, prioritizing convenience, cleanliness, good taste, nutritional values, fast preparation and reasonable prices. NSL also engages in the development of food products with high future growth potential such as healthy foods, foods for seniors and alternative protein food products.

At the same time, NSL will maintain the good partnerships with current business partners like 7-11, with a view to grow together going forward.

Business Strategy

Business Strategy

- 1) Continuously develop with the goal to win the CPALL Quality Award
- 2) Build brands by storytelling that includes customers to participate in the digital age
- 3) Seek new trading and business partners in order to expand in both the domestic and international markets.
- 4) Increase online points of sale
- 5) Develop new products that meet the demands of health-conscious and elderly customers

Operations Strategy

- 1) Utilize manufacturing innovation to better manage production cost
- 2) Import raw materials directly from their sources and continuously look for new raw materials outlets that are credible and more reasonably-priced, while not compromising in terms of quality
- 3) Reduce the use of labor by integrating machines and technology into production line

Personnel Strategy

- 1) Create a Happy Work Place and engender good corporate values
- 2) Increase employees' capabilities and efficiency by developing suitable knowledge and skills

Corporate Image Strategy

- 1) Promote corporate image by increasing the visibility of products through various marketing outlets, especially online outlets



Business Model and Activities



Nature of businesses

NSL is a manufacturer and distributor of bakery products and snacks for both our partners and for sale under our own brands. NSL products can be found at 7-11 stores (a CPALL brand) under the brand names “Ezy Taste”, “Ezy Sweet”, “Ezy Bake”, and “7 Fresh”. NSL also sells products such as the snacks, bakery, dessert and other food under our own brands “KhowThang or Rice bar by NSL” “Pangtai” “Natural Bite” “NSL Bakery” “NSL Selection” and etc. These products are distributed through various points of sale, including both Modern Trade (MT) such as convenient stores, supermarkets, wholesalers, hypermarkets, Cash and Carry as well as Traditional Trade (TT) such as markets, grocery stores, and gift shops.

NSL also operates Food Services business such as meat processing (fish scaling, fillet and packing into different ready-to-use packagings). These products are distributed to restaurants, hotels, catering services and international schools (Hotel, Restaurant and Catering: HoReCa) as well as other MT distribution channels.

NSL products manufactured for 7-11	NSL products sold under own brand names	Food Services brands	OEM ¹ product
<ul style="list-style-type: none"> • Ezy Taste • Ezy Sweet • Ezy Bake • 7 Fresh 	     	<p><u>Imported brands</u></p> <ul style="list-style-type: none"> • Talley's <p><u>Processed and produced under other brand names</u></p> <ul style="list-style-type: none"> • MyChoice by Tops (certain products) <p><u>Own brand</u></p> <ul style="list-style-type: none"> • Golden Bay • The Amber • Captain Cook 	<p>Arigato produced for Central Food Retail Co., Ltd.</p>
<p><u>Points of sale</u></p> <ul style="list-style-type: none"> • 7-11 stores nationwide 	<p><u>Points of sale</u></p> <ul style="list-style-type: none"> • MT, including 7-11, Tops Market, The Mall, Gourmet Market, Villa Market, Rimping Supermarket, Tokyu, Aeon, Big C, Lawson, Family Mart, MaxMart, PT • TT. Products and brand names sold at different MT and TT points of sale are based on the location, target group and positioning of products. • Exported for international sale • Online 	<p><u>Points of sale</u></p> <ul style="list-style-type: none"> • MT • HoReCa • Online 	<p><u>Points of sale</u></p> <ul style="list-style-type: none"> • Tops Market • Family Mart

¹ OEM: Original Equipment Manufacturer

Products and Services Type

1. Bakery and snacks products can be divided into two main groups: bakery products and snacks products. Both are manufactured for CPALL and sold at 7-11.

1) Bakery products are products composed of flour and butter, and molded into different types of bakeries such as bread, croissant, Danish bread and cake. They then go through the process of de-contamination heating, and are fully cooked before going through the flavoring and nourishment process by inserting various fillings such as ham, sausage, carbonara, chocolate and salted egg. These products need to be microwaved or baked before consumption. NSL is responsible for coming up with the menu and recipe, then present them to CPALL for further improvements. The products are exclusively made for CPALL in accordance with the MOU on exclusive products manufacturing and the confirmation letters on the distribution of various types of exclusive products. These bakery products can be further divided into 3 sub-types:

(A) Baked bakery products must be baked before consumption and consist of sandwiches made from bread flour, croissant flour, Danish flour, with different fillings such as ham and cheese, shredded pork with salad cream, shredded pork with chilli paste, sausage and cheese and carbonara Danish.



(B) Reheated bakery products must be microwaved before consumption. Examples include the pork and bacon cheeseburger, pork cheeseburger, pork super cheeseburger, ham cheese double croissant and various types of hot dogs such as mayo, ham cheese, and ham and bacon breadcup.



(C) Ready-to-eat bakery products examples include imitation crab stick and flying fish roe sandwich, eclair, mini vanilla choux cream, chocolate cake, chocolate lava cake and mochi choux cream.



2) Ready-to-eat products include tuna salad, imitation crab stick and flying fish roe salad.



2. Snacks, bakery, dessert and other food under NSL brands are products composed from agricultural produces as main compositions and then mixed with other ingredients. They then go through de-contamination heating and baking process before going through the flavoring process. These products include baked crispy and butterfly pie under the brand name “Pangtai”.



In 2019, NSL launched a new line of “healthy snacks” products to cater to the emerging health-conscious target groups. These products are made using nutritious ingredients such as bean flour and are cooked by baking to conserve the nutritional values. These products include protein chips, fiber chips, protein cookies and chocolate cookies under the brand names “Natural Bite”. They are sold through various channels, not limited to 7-11. In 2019, Natural Bite products received the SIAL Innovation award from the Salon International de L’Alimentation (SIAL), a France-based association that supports innovation in food sector, competing against various food and packaging companies to win the award.



Moreover, in 2022, NSL developed new product “KhowThang or Rice Bar by NSL” that meet the needs of consumers in convenience and speed, without pouring, without mixing, but forming cooked rice into sticks. There is a filling in the middle and can be held and eaten in one hand for convenience during the rush hour. There are both savory and sweet menus that are suitable for children and adults. NSL also has retort food and is stepping into a distributor of bakery and food products as well. These NSL products are widely distributed through various points of sale, not limited to 7-11.



3. Food Services are sectors that concern the processing of food such as meat processing (fish scaling, fillet, and packaging to prepare the meat for cooking), with products that include salmon, tuna fish, imitation crab stick, Pangasius Dory fish, snowfish (sablefish), trout, tako octopus, shrimp, crab meat, soft shell crab, Australian/NZ/USA beef, lamb, Japanese scallops, clams, seaweed, Edamame and other frozen vegetables. Food Services also entail businesses that import, process and package food products to be sold under different brand names such as “MyChoice” by Tops. NSL also imports bakery and frozen bakery products. NSL’s Food Services products are sourced both domestically and from various countries, namely Japan, Australia, New Zealand, USA, Chile, France, Belgium, Norway, Denmark, Austria, Germany, Poland, Vietnam and China, for instance.



4. OEM bakery products Beside the products made for CPALL, NSL also manufactures other OEM products such as fillings for snacks and bakery products. However, this makes up only a small fraction of NSL’s products as OEM is not NSL’s main services, and the OEM services are offered because of the surplus production capability of NSL, where some machines and production tools are free during certain periods. NSL’s OEM customers are mainly bakery chains located in major shopping malls.

Marketing and Competition

Marketing Policy and Strategy

1. Products Strategy

(A) Bakery products and Snacks

Among the first manufacturer of baked and reheated bakery goods, NSL started to manufacture and distribute baked sandwiches for 7-11 in 2009. NSL offers various flavors for our products, catering to the preference of target groups and becoming the favorites of many target groups. The objectives of NSL are to maintain the quality and flavor of products to generate more sales alongside the growth of our partner, 7-11. NSL is also committed to develop more diverse types of products to generate more revenue. For example, NSL makes bakery goods for All Café such as baked panini, sandwiches, croque monsieur and other types of bread. These products are poised to grow alongside the beverages offered by All Café in some 7-11 stores.

(B) Snacks, bakery, dessert, and other food under NSL's Company Brand

The objectives of NSL's Company Brand (developed and marketed, starting in 2018) are to develop bakery products based on the ingredients used in the products manufactured for 7-11. NSL also makes products for health-conscious consumers by using healthy agricultural ingredients. These products are both delicious and innovative, while offering new taste and nutritional values such as protein chips and fiber chips. The target groups are teenagers and young adults, who are open to trying new things and are following the current healthy-conscious trends and in this year, NSL developed new product "KhowThang or Rice Bar by NSL" that meet the needs of consumers in convenience and speed, without pouring, without mixing, but forming cooked rice into sticks. There is a filling in the middle and can be held and eaten in one hand for convenience during the rush hour. There are both savory and sweet menus that are suitable for children and adults. Moreover, NSL is stepping into a distributor of bakery and food products as well.

(C) Food Services products

NSL seeks to boost the manufacture of bakery and snacks in order to distribute and utilize the ingredients for NSL's own production process. These products are also intended to cater the demands of HoReCa customers and industrial customers, with high business potential.

2. Marketing Strategy

(A) Bakery products and snacks

This type of products is the mainstay of NSL, where we are recognized as major producers. The marketing strategy for this type of products is to utilize additional marketing to boost the sales and plan the presentation of new products made for 7-11 by offering yearly rollout plan in advance, and NSL will also look for additional Modern Trade points of sale for the products that are not CPALL-exclusive.

(B) Snacks, bakery, dessert, and other food under NSL Company Brand

Our marketing and production teams work together to promote the sales of high-profit products and revise the management structure of our sales division to become more flexible, expanding the points of sale, both MT and TT. NSL also seeks to distribute more products upcountry and boost more sales by engaging in marketing activities, including promotional activities, giving out samples, holding promotions every quarter (E.g., buy-one-get-one promotion), more advertisements, and establishing points of sale online and on social media platforms such as Facebook, Line, Shopee and Lazada. This will enhance NSL's public image and stimulate

more people to remember NSL company brand names. NSL also aims to promote the company brand names by building stories, engaging customers digitally, developing products for the elderly and health-conscious groups for exports, and finding new partners to expand our markets, both domestic and international. In 2022, NSL developed new innovation product “KhowThang or Rice Bar by NSL” and start the first flagship store called “Rice Bar by NSL” at Siam Square which is the most comprehensive branch reflecting the identity of rice bar. It is a quite large and the design of the shop is open to see all the inside and the consumer can ensure in the cleanliness of the store and the quality of the product and it will be a model for other branches in the future which may be adjusted according to the suitability of the area. NSL plan to expand to BTS stations, office building and vending machine in the community as well.



(C) Food Services products

NSL has established the sales and marketing team. This sales and marketing team will engage in sales and marketing activities that cater to MT and HoReCa target groups by offering new products and guidance on how to offer products that meet customers' demands (Total Food Solutions), while also giving focus to sorting the type of products by theme such as health-conscious menu, Taste of Australia / USA / New Zealand / Chile, and holding marketing activities in conjunction with foreign embassies to raise awareness of NSL products among foreign expats living in Thailand.

3. Brand-building Strategy

Because most NSL's company brands are new such as KhowThang which is new and innovative product and Natural Bites which are innovative products marketed for health-conscious target groups, it is challenging for NSL to gain more market shares for these products. Hence, NSL seeks to promote these products to be more popular by building on their strong points in flavors, products quality, nutritional values, color and packaging of products. NSL seeks to offer our products in a more reasonable price range, believing that innovative production and to be among the first to engage with the consumer target groups will raise more awareness of NSL's products.

While Pangtai products are longstanding products that have gained considerable popularity and market share, NSL will continue to strengthen our brands and give importance to the distribution of products to more regions nationwide.

4. Strategy on Product Safety and Quality

NSL stresses the importance of both consumers' and employees' safety. Factory security system has been set up, and production areas segmented to minimize potential hazards. NSL products are made with quality and sanitation in mind, with a view to ensure consumers' safety. NSL has periodically inspected the quality of our production lines, transports, factory carts, employees' cleanliness standards, packagings and the actual products to ensure that all compositions meet the NSL's product safety and quality standards.

Inspection employees are responsible for (1) inspecting that all products are correct according to purchases; (2) random-sampling to ensure all products are fresh, not expired and come in the right size, color and weight as described; and (3) lab-testing for potential contaminants to ensure the safety and quality of products. NSL's Hazard Analysis Critical Control Point (HACCP) system has been certified, and NSL has been awarded with the Good Manufacturing Practices (GMP), ISO 9001, ISO 14001 and the Thai Labor Standard (TLS 8001-2020). NSL's production practices are done in accordance with Halal standards and has received the Thailand Trust Mark (T Mark), awarded by the Department of International Trade Promotion, Thailand's Ministry of Commerce, certifying that NSL factories meet international standards.

NSL employees in the production lines are also trained to understand and fully comply with the safety standards NSL has established.

5. Strategy on Cost Management and Pricing

For bakery and snacks products made under MoU and sold exclusively to CPALL, price changes can be done only by the instructions on the part of CPALL. CPALL regularly reviews its pricing to ensure that the price remains reasonable and comparable to consumers' average purchasing power. On the other hand, NSL products sold under company brands are competitively priced to contend with the high competition in the market for such an easily replaceable product. Price hikes are difficult to carry out. Thus, more attention is given to more efficient cost control measures to ensure that the profits made remain in accordance with the originally-set margins. Machines and production technology are utilized to cut cost and labor, while increasing the capabilities of NSL employees by training them to minimize the production waste. The production ingredients are also sourced directly from producers, and more reasonably-priced ingredients are sought to reduce cost, while ensuring quality.

6. Strategy on Good Services and Customers' Satisfaction

NSL started selling products to 7-11 in 2009, and has since developed our relationship with distributors to achieve good partnerships. Currently, NSL regularly develops new products in consultation with CPALL to ensure that all our products are consumers' favorites. Thus, NSL products always meet the demands of CPALL, becoming bestsellers with ever-increasing sale margins year-on-year. As a result, NSL has established as a longstanding trusted partner of CPALL.

Consumers and Target Groups

- (1) Bakery and light meals products: the target groups are 7-11 customers, mainly consisting of students, and working-age people who prioritize swift services and do not have time to cook.
- (2) Snacks, bakery, dessert and other food products under NSL's brands: the target groups are teenagers, working-age people and healthy food lovers who love to try new things. In the future, NSL seeks to expand its target groups to all.
- (3) Food Services products: the target groups are HoReCa customers who seek seafood, meat, frozen vegetables, frozen bakery products, quality baking ingredients as well as other customers who buy quality ingredients for home-cooking.

Policy on Credit Term

Main customers on credit term are CPALL and other Modern Trade partners. The credit term is 30 days or 60 days, the duration which has been set in consultation and agreement with our partners' trade policy.

Production and Services Branches

NSL has the head office, alongside four production plants and warehouses, as follows;

Branch	Address	Function	Production Capacity	Actual Capacity 2022
Head Office	55/22 M.3 Bang Bua Thong - Nonthaburi Bridge Rd. (345), Lampo Sub-district, Bang Bua Thong District, Nonthaburi	HQ	None	None
Branch 1	Amata City Industrial Estate 700/707 M.1, Phan Thong Sub-district, Phan Thong District, Chonburi	Bakery goods production plants	450,000 pcs/day	310,000 pcs/day (69% of total capacity)
Branch 2	Amata City Industrial Estate 700/836 M.6, Nong Tamlueng Sub-district, Phan Thong District, Chonburi	Bakery goods production plants	800,000 pcs/day	300,000 pcs/day (38% of total capacity)
Branch 3 ²	29/52 M. 2 Bang Bua Thong -Nonthaburi Bridge Rd. (345), Lampo Sub-district, Bang Bua Thong District, Nonthaburi	Bakery fillings production plants	Burger meat toppings (20,000 pcs/day) Fillings (1,000 kg/day) Meat and seafood processing (1,000 kg/day)	12,800 pcs/day, fillings 100 kg/day Seafood processing 522 kg/day
Branch 4	55/11 M. 3 Bang Bua Thong -Nonthaburi Bridge Rd. (345), Lampo Sub-district, Bang Bua Thong District, Nonthaburi	Office and Warehouse (Food Services)	Warehouse for frozen products (195 tn)	195 tn (100% of total capacity)

² Originally the first factory under the Doughmaker Co., Ltd.

Production Policy

- (A) Bakery and light meals products—products are made as per the order placed by CPALL. CPALL will update the sale status and remaining stocks in every branch every day, then they will submit the total demands of each product as per their SKUs daily. The marketing division will coordinate with production division to manufacture products according to the received demands.
- (B) Snacks, bakery, dessert and other food under NSL's brands and food services products – NSL plans the production and import according to the estimates made by the marketing division. The planning will be in accordance with the Company's policy not to produce or import more than 3-to-6-month worth of surplus products in advance, depending on the type of products.

Acquisition of Production Ingredients

The main ingredients needed for current production are flour, butter, milk, sugar, eggs, ham, sausage and various seasonings. NSL acquires these mainly from domestic producers, while certain products may be imported such as butter and cheese from France, Germany, Australia and New Zealand. NSL will select from the vast pool of sellers and compare the prices of at least 2 sellers. To ensure transparency, all sellers are not associated with NSL, and all are medium-sized to large-sized producers who are respected and known for quality products.

The price of main production ingredients does not tend to fluctuate so much that it may cause severe shortages. During the period when the price briefly goes up, NSL will implement cost control measures by reducing other costs that do not affect the flavor and quality of products. NSL also implements stocks management. If all production branches use the same materials, NSL will bulk-order them to get cheaper quotations.

For Food Services products, NSL sources the ingredients both domestically and internationally, including sourcing products from Japan, Australia, New Zealand, USA, Chile, France, Belgium, Norway, Denmark, Austria, Germany, Poland, Vietnam and China. All sellers are not associated with NSL and are known and respected for their quality products. The price for main ingredients does not fluctuate so much that it may cause severe shortages.

NSL's credit term with most creditors is 30 days or 60 days, the duration which has been set in consultation and agreement with our partners' trade policy

Production Management

NSL emphasizes quality improvements, products quality and effective distribution. NSL also regularly revises and improves our production system by leaning the process from cost reduction, work practices, expense control and machine improvements. NSL gives importance to cooperation with partners to achieve common goals, through programmes that employees participate in reducing costs. All divisions are also encouraged to keep data of their work practices for use in the review done with other divisions. These encourage more precise decision-making to solve problems as well as the use of tools to analyze the roots of all problems, while working together to avoid repetitions of the same problems. These tools include the 5G principles, cause & effect diagram and the use of visual control in monitoring the workforce. In this way, all employees in the production line will understand the steps, goals and outputs of their work in clear and easy terms, while ensuring that all mistakes are readily corrected. Boards, signs, symbols and colors are also used to communicate with all employees.

Environmental Management

All NSL factories have their environmental impacts controlled throughout the production line. The waste treatment system has been installed to catch wastes, grease and contaminants that have occurred during the production before releasing non-contaminated water down the sewage system. NSL also monitors the water quality released from factories. All pollutions-water, light, dust, heat, noise and smoke-are controlled strictly according to the law. This pollution control goes in accordance with the standards set by the Department of Industrial Works and the international standards, including ISO 14001.

NSL also employs the garbage treatment system, where treatable garbage is properly processed, and non-treatable garbage such as dangerous wastes are transported to be processed according to the law.

NSL also sets up an energy conservation committee to encourage employees to realize the importance of energy conservation. This helps NSL reduce the cost related to energy consumption.

Research and development

NSL is committed to developing high-quality, safe, and delicious products that meet the requirements and conditions of consumers. NSL places a high priority on research and development in order to maximize customer satisfaction through cleanliness and hygienic service. Because such process is one of the keys of NSL's business operations that will promote competitiveness in order to get products that satisfy the requirements of the target group. NSL encourages pertinent employees, including those from the factory, sales and marketing, and food safety department, to collaborate with product development to innovate, create, and enhance products. Including the selection of primary materials and equipment to enhance the production process and ensure that customers are always satisfied. In addition, the research and development department of NSL is primarily responsible for developing new products and enhancing current production formulas in order to reduce costs and discover alternative raw materials through innovation. The NSL new product development guidelines can be divided into 2 categories:

- (1) Product development based on consumer behavior and demand trends obtained through research, surveys, and information gathering from sales and marketing department.
- (2) Invention and development within NSL's product development department through the collection of information, experience, and innovative technology.

NSL continuously research and develop since creating new products, developing current products and managing efficiency cost. NSL's research and development sections are divided into 2 lines:

- (1) Research and development sections for the products under NSL's brands such as KhowThang, Pangtai, NSL Bakery, NSL Kitchen and Natural Bite which is under the responsibility of Vice President - Sales and Marketing.
- (2) Research and development sections for the products under 7-11 brands which is under the responsibility of Executive Vice President.

As for the new product development procedure, it begins with the sales and marketing division gathering consumer and marketing data from various disciplines. Including market research data to analyze and evaluate the needs and behavioral trends of consumers in order to consider market opportunities and value. The information is then forwarded to the Product Development Department for a collaborative study of production, costs, raw materials, and marketing. Therefore, accumulating ideas and developing designs that can respond to the specified market conditions. Once the proper production formula has been determined, it will be used to test prototype products, which will then be distributed to various agencies. Related Customers and target consumer groups also attend to test and evaluate the product's quality. There will be multiple operations in this process until the final product meets the specified requirements, desired flavor, and is priced appropriately. After passing the test, products must apply for licenses based on various standards before they can be manufactured and distributed.

Implementing of developing process

Since operations are the core of NSL's business operations, NSL prioritises developing these operations for efficiency and effectiveness to meet customer needs in light of the fiercer competition.

In order to meet the rising sales volume, NSL aims to improve production efficiency. All aspects of process improvement, work methods, production flow charts, as well as the advancement of machinery, equipment, and employee skill development, are covered. The main strategies include reducing reliance on labour by introducing technology and machinery to increase efficiency and maximise return on investment. NSL has regularly researched new technologies and production innovations from reputable knowledge sources both domestically and abroad in this regard. Including contacting experts in different fields at both the university level institute of technology and various private organizations for advice.

Research and Development expenses

In term of the Company's research and development expenses, they consist of new product research expense, biological examination expense, and product sample expense. The research and development expenses in the past three years can be summarized as following:

Unit : Baht

Year	Research and Development Expenses
2020	8,205,202
2021	8,807,386
2022	12,269,525

Funding history and the fund spending

Unfinished fund spending details

With reference to NSL Foods Public Company Limited ("NSL") issued new shares for capital increase by Initial Public offering (IPO) on May 11 - 13, 2021 for 75,000,000 shares at the price of 12.00 Baht per share. NSL received proceeds from IPO in the net totaling of Baht 872.38 million (after deducting all IPO-related expenses).

NSL proceeded utilization of capital increase from IPO as of December 31, 2022 as follows:

Unit : Baht

Objective of spending	Plan Amount	Amount used	Outstanding balance as of December 31, 2022
1. Financial institution debt settlement	350.00	350.00	-
2. Used as working capital in business operation	172.38	172.38	-
3. Used to finance the construction of new projects			
- Ready Meal	250.00	31.24	218.76
- Rice Bar	100.00	51.54	48.46
	350.00	82.78	267.22
Total	872.38	605.16	267.22

Industrial Trends, Competition and Business Trends

Thailand's Economic Outlook

Economic Projection for 2023					
(%YoY)	2021		2022		2023 (f)
	Year	Year	Q3	Q4	Year
GDP (CVM)	1.5	2.6	4.6	1.4	2.7-3.7
Investment ^{1/}	3.1	2.3	5.5	3.9	2.2
Private	3.0	5.1	11.2	4.5	2.1
Public	3.4	-4.9	-6.8	1.5	2.7
Private Consumption	0.6	6.3	9.1	5.7	3.2
Government Consumption	3.7	0.0	-1.5	-8.0	-1.5
Export of Goods ^{2/}	19.2	5.5	6.7	-7.5	-1.6
Volume ^{2/}	15.5	1.3	2.1	-10.3	-0.6
Import of Goods ^{2/}	27.7	15.3	23.2	-0.3	-2.1
Volume ^{2/}	17.9	2.0	8.0	-9.2	0.4
Current Account to GDP (%)	-2.1	-3.4	-6.4	1.0	1.5
Inflation	1.2	6.1	7.3	5.8	2.5 – 3.5

Note: ^{1/} Investment means Gross Fixed Capital Formation
^{2/} based on the Bank of Thailand's data

Source: The Office of the National Economic and Social Development Council (NESDC) www.nesdc.go.th

The Office of the National Economic and Social Development Council (NESDC) has summarized the Thai economy in 2022, the Thai economy in 2022 grew by 2.6 percent, accelerating from 1.5 percent in 2021. The growth was driven mainly by the tourism recovery and continual improvement of domestic demand in both private consumption and investment. The headline inflation was at 6.1 percent and the current account registered a deficit of 3.4 percent of GDP.

The Thai economy in 2023 is projected to expand in the range of 2.7 - 3.7 percent, mainly supported by (i) the recovery of tourism sector, (ii) the expansion in both private and public investments, (iii) the continual expansion of private consumption, and (iv) the favorable growth of the agricultural sector. Private consumption expenditure is expected to increase by 3.2. Export value of goods in US dollar terms is anticipated to decline by 1.6 percent. Headline inflation is estimated to be in the range of 2.5 - 3.5 percent and the current account is projected to record a surplus of 1.5 percent of GDP.

Trends of consumption in the food and beverage industry in 2023

The Department of International Trade Promotion, Ministry of Commerce (www.ditp.go.th) has released food and beverage industry consumption trends for 2023. The changing circumstances in 2022, combined with the unpredictability of the environment and society, make brands and consumers more susceptible to unpredictability. As the consumer market gradually returns to rational consumption, brands must continually adapt to survive. Many well-known brands and institutional insights platforms, such as Innova Market Insights, Amazon Whole Foods Market, Natural Grocers, Spoonshot, Trend Hunter, LINCHPIN, etc., have recently released reports on the global food consumption trend in 2023. FDL (Food Data Link) has been gradually summarized the trends and opportunities in the beverage and food industry in 2023 that will reflect new consumer perspectives on products in the beverage and food industries, as well as development trends. Innovations in the beverage and food industries will assist the organization in developing new future directions and trends in the beverage and food industries.

Trend 1 : Consume Rationally

Increasing consumer demand is driving the expansion of new consumer groups. Due to unfavorable economic change factors such as higher inflation, higher cost of living, and lower wages as a result of the economic downturn, the capabilities and needs of consumers have become increasingly diverse and individualized in recent years. Along with the pursuit of new innovations, brands must adapt and continue to develop products, whether in terms of raw materials, food processing technology, or value addition, in order to improve the product and gain a competitive advantage. Additionally, consumers are beginning to consider their true needs when making daily purchase decisions. There is an examination and comparison of prices and value, including quality, convenience, and product effectiveness. Consumers will make more deliberate purchasing choices.

Trend 2 : Healthy consumption

The population will continue to increase in the future. However, Nutrition in beverages and foods is not appropriate for all ages. Consumers have age-appropriate nutritional requirements and the capacity to improve health. The awareness of environmental factors and the health of individuals is growing. Consumers have knowledge and understanding of food and beverage products that are suitable for their health. However, according to medical principles, proper health care is not simple. Developing products with multiple health care functions remains challenging. Therefore, brands must comprehend their primary target consumer in order to develop products that meet the needs of consumers to the greatest extent possible.

Trend 3 : Sustainable consumption

After the COVID-19 epidemic, consumer demand for healthful dining is at an all-time high. In the meantime, as global climate problems and food crises intensify, many individuals anticipate reintegrating sustainability into their daily lives. According to research conducted by ADM (Archer Daniels Midland), a leader in agricultural processing and a provider of food ingredients, over 49 percent of consumers have increased their environmentally friendly consumption habits over the past two years and place a premium on reducing waste and toxic pollution to the environment. Therefore, consumers anticipate beverage and food companies to be environmentally conscious. According to a global survey by Innova, three out of five consumers believe brands that demonstrate a sincere commitment to environmental protection will acquire greater consumer trust. Currently, the majority of Chinese consumers have a limited comprehension of sustainable consumption, but in the future, they will comprehend and become more aware of the concept.

Trend 4: Meal replacement

With the ability to consume and people's lifestyles changing, food replacement is gradually becoming a new method to consume, such as plant-based food. Plant-based food is one of the food substitutes that can be highly nutritious, delicious, and environmentally friendly. (Plant-based) is becoming increasingly prevalent worldwide. In the future, plant-based meal replacements will be the focus of food innovation.

Trend 5: Eat well-being

From the outbreak of the COVID-19 virus over the past three years, measures have been taken to prevent further infections. People desire improved physical health, but their emotional health needs are also growing. Despite the current economic climate, individuals will live with greater consideration. Still, consumers desire a fulfilling and pleasurable food experience.

Trend 6: Consume with awareness

Many consumers are interested in reading the product's ingredient list before making a purchase decision or eating it as a result of the ongoing development of online shopping combined with the consumer's increased education, making consumers pay attention to the right to know information and there are more inspections of the ingredients of various products. The consumer wants to be certain of the required food ingredients.

Trend 7: Consume pet food and pay close attention to the care of pets

Pets have become an integral part of the lives of contemporary consumers. Considered to be one of the most significant family members. Consequently, pet owners recognise the significance of providing physical and mental care for their animals. They expect brands to develop products that better meet the nutritional requirements of pet food and promote the health of pets.

Opinion of Xiamen's Overseas Trade Promotion Office: We can see how the food and beverage industry's future consumption direction may change based on the information presented above. Entrepreneurs who wish to enter an industry will benefit from trend data, which can also be used to enhance and develop products in accordance with future consumer demands. However, as long as people's livelihoods continue to be contingent on uncertainty, preparedness, and the ability to adapt to changing circumstances will be necessary for the survival of the industry.

Source: <https://www.cbndata.com/information/265174>

Compose by Xiamen's Overseas Trade Promotion Office

Industrial Trends - Bakery and Light Meal Products

The current consumer's behaviors that prioritize speed and fast cooking time also popularize ready-to-eat meals such as bakery and light meal products. Producers compete with each other to develop new recipes, enhance the taste, texture and appearance of the food, including the packaging to be more outstanding, and priced more competitively.

The growing factors that support ready-to-eat foods have moved many convenient store chains to expand their branches, both in Bangkok and outside. This reflects the fact that convenient stores fit the preferences of contemporary consumers, offering a wide range of foods, from sandwich to single dish meal and various kinds of dessert.

The competition in the bakery and light meal market is one that competes through taste and pricing. Because bakery and light meal products are generally inexpensive and make profits by mass sale, it is very important for producers to be able to control the cost and utilize innovation in the production process, by coming up with new and delicious recipes, introducing new and exciting tastes, and developing more vibrant and eye-catching packagings.

SME businesses, when certain point of development is reached, will seek to raise awareness of their products through MT points of sale. This may cause the appearances of NSL's new competitors, who may produce slightly different products from NSL's, but given the limited amount of money to be spent by each 7-11 customer, the NSL's market share may be cut. This leads to high competition in MT points of sale as the convenient stores generally carry out sale evaluation of each product within the first 3 months. The fact that NSL's products have been sold at 7-11 for a long time illustrates the high NSL's competitive capabilities.

Industrial Trends - Food Services

The growth of business concerning the sale of seafood, meat, seaweed and frozen processed vegetables mainly depends on the growth of hospitality businesses such as hotel, restaurant and catering (HoReCa). Lately, however, supermarket has emerged as one of the main points of sale as many supermarkets have restaurants inside (Grocery Store: Grocerant), with their popularity being on the rise. At many grocerants, customers can choose from a variety of products and frozen products in the supermarket, and the grocerants will cook them. This trend is well received by many customers. NSL sees a good growth potential for this business sector and believes in the capabilities of its executives who will lead them to more revenue in this business sector.

Business Assets

As of 31 December 2022, the assets used in NSL's business operation are as follows;

Property, Plant and Equipment

List	Net Book Value (Million THB)	Type of Ownership	Obligations
Land	290.7	Owner	See Section 1) Bank Loan Agreements
Buildings	411.0	Owner	
Building Improvements	26.5	Owner	
Machines, Tools and Equipment	201.8	Owner	See Section 1) Bank Loan Agreements; which records a pledge that concerns 67.1 million THB worth of machines and tools. As of 31 December 2022, NSL fully paid such borrowings from a financial institution.
Fixtures	7.6	Owner	None
Office equipment	4.2	Owner	None
Vehicles	1.9	Owner	Car lease agreements obligations
Machinery under installation	10.7	Owner	
Construction in progress	-	Owner	
Total	954.4		

1) Land

	Deed No.	Area (rai-ngan- sq wah)	Type of Proprietorship	Net Book Value (Million THB)	Obligations ^{a)}
Head Office - 55/22 M.3 Bang Bua Thong – Nonthaburi Bridge Road (345), Lam Pho Sub-District, Bang Bua Thong District, Nonthaburi					
1	154862	0-2-65.2	Proprietor	5.2	Mortgage with financial institutions
2	154863	0-2-55.6	Proprietor		
Branch 1 – Amata City Industrial Estate 700/707 M.1 Phan Thong Sub-District. Phan Thong District, Chonburi (Phase 7 Factory)					
3	22473	4-3-44	Proprietor	24.1	Mortgage with financial institutions

	Deed No.	Area (rai-ngan-sq wah)	Type of Proprietorship	Net Book Value (Million THB)	Obligations ^{a)}
Branch 2 – Amata City Industrial Estate 700/836 M.6 Nong Tamlueng Sub-District, Phan Thong District, Chonburi (Phase 8 Factory)					
4	31231	5-0-03	Proprietor	251.0	Mortgage with financial institutions
5	31232	5-0-03	Proprietor		
6	31233	23-1-81	Proprietor		
Branch 3 – 29/52 M.2 Bang Bua Thong – Nonthaburi Bridge Road (345), Lam Pho Sub-District, Bang Bua Thong District, Nonthaburi					
7	140806	0-2-0	Proprietor	5.0	Mortgage with financial institutions
8	140807	0-2-0	Proprietor		
Branch 4 – 55/11 M.3 Bang Bua Thong – Nonthaburi Bridge Road (345), Lam Pho Sub-District, Bang Bua Thong District, Nonthaburi					
9	154850	0-3-59	Proprietor	5.4	Mortgage with financial institutions
			Total	290.7	

Disclaimers: See Obligations in Section 1) Bank Loan Agreements

2) Buildings

Branch	Address	Type of Proprietorship ^{a)}	Net Book Value (Million THB)
Head Office	55/22 M.3 Bang Bua Thong – Nonthaburi Bridge Road (345), Lam Pho Sub-District, Bang Bua Thong District, Nonthaburi	Proprietor	8.3
Branch 1 (Phase 7 Factory)	700/707 M.1 Phan Thong Sub-District, Phan Thong District, Chonburi	Proprietor	60.7
Branch 2 (Phase 8 Factory)	700/836 M.6 Nong Tum Lueng Sub-District, Phan Thong District, Chonburi	Proprietor	329.8
Branch 3	29/52 M.2 Bang Bua Thong – Nonthaburi Bridge Road (345), Lam Pho Sub-District, Bang Bua Thong District, Nonthaburi	Proprietor	0.4

Branch	Address	Type of Proprietorship ^{a)}	Net Book Value (Million THB)
Branch 4	55/11 M.3 Bang Bua Thong – Nonthaburi Bridge Road (345), Lam Pho Sub-District, Bang Bua Thong District, Nonthaburi	Proprietor	11.8
		Total	411.0

Disclaimers: See Obligations in Section 1) Bank Loan Agreements

Rights-of-Use Assets



List	Net Book Value (Million THB)
Refridgerated Containers	1.8
Ice Making Machine	5.5
Cars and Forklifts	7.9
Total	15.2







Intangible Assets

As of 31 December 2022, the intangible assets totaled 6.1 million THB, consisting of computer programs Baht 5.6 million and the network established with customers from the purchase of QFS business Baht 0.5 million.


Trademarks and Patents







1) Trademarks

	Trademarks	Type of Trademarks	Ownership	Trademark Lifespan	Extension	Remarks
1		Flour-based snacks / Wheat-based snacks /	NSL	10 years (18 Aug 2016 – 17 Aug 2026)	Every 10 years	-
2		Flour-based light meals	NSL	10 years (31 Mar 2016 - 30 Mar 2026)	Every 10 years	-
3			NSL	10 years (24 Feb 2016 - 23 Feb 2026)	Every 10 years	-

	Trademarks	Type of Trademarks	Ownership	Trademark Lifespan	Extension	Remarks
4			NSL	10 years (18 Aug 2016 - 17 Aug 2026)	Every 10 years	-
5		Flour-based light meals	NSL	10 years (29 Mar 2018 - 28 Mar 2028)	Every 10 years	-
6		Meat, Fish, Meat extract	NSL	10 years (6 Jun 2022 - 10 Sep 2030)	Every 10 years	-
7		Rice milk, instant noodle, instant rice, instant drink	NSL	-	-	Trademark filed on 14 Sep 2022
8			NSL	-	-	
9			NSL	-	-	

2) Products Patents

	Products	Filer	Status as of 31 Dec 2022
1	 Photo of puzzle-shaped snacks	NSL	Patent granted on 27 Apr 2020 with an expiry date of 20 Jan 2026

	Products	Filer	Status as of 31 Dec 2022
2	Method for adjusting the texture of cooked rice to form rice sandwiches	NSL	Patent filed on 1 Dec 21
3	Method for forming rice or noodle sandwiches from soy, egg and tartar cream	NSL	Patent filed on 8 Dec 21
4	 <p>Noodle sandwiches</p>	NSL	Product design patent filed on 17 Dec 21
5	 <p>Rice sandwiches</p>	NSL	Product design patent filed on 17 Dec 21
6	Product design patent for glutinous rice pie/ warm glutinous rice pie/ rice sandwiches	NSL	Product design patent filed on 17 Feb 22
7	 <p>Rice pie</p>	NSL	Product design patent filed on 4 Mar 22
8	 <p>Grilled rice</p>	NSL	Product design patent filed during Jul 22
9	 <p>Rice pie</p>	NSL	Product design patent filed during Jul 22
10	 <p>Rice bar</p>	NSL	Product design patent filed during Sep 22

Summary of significant License and Agreements related to Business-

1) Bank Loan Agreements

No	Debtor	Creditor	Loan Type	Loan Date	Installment Schedule (Million THB / month)	Remaining Amount Payable (Million THB) as of 31 Dec 2022	Total Loan Amount (Million THB)	Interest Rate (%)	Guarantee	Important Financial Conditions
1	NSL	BAY	Credit (for business operation / repayment of previous loans / as guarantee)	8 Jul 2016 (10 th Adjustment on 10 Jun 2022 ³)	N/A	-	895.0 And 3.2 million USD		1. 2 nd mortgage (13 million THB credit) and 3 rd mortgage (no additional credits) of land and buildings, as per NSL's deeds no. 154862 and 154863 2. 2 nd mortgage (no additional credits) and 3 rd mortgage (no additional credits) of land and buildings, as per NSL's deeds no. 140806 and 140807 3. Mortgage (25 million THB credit) and 2 nd mortgage (no additional credits) of land and	1. D/E(adjusted) ¹ ≤ 3:1 from 2019 financial budget onwards 2. Bank Debt/EBITDA ratio < 5:1 from 2018 financial budget onwards

¹ Formula for D/E (Adjusted): (Total Loan + Loan from Directors / Affiliated Companies)(Capital + Loan from Directors / Affiliated Companies - Loan from Directors / Affiliated Companies)

³ Memorandum of agreements at the end of 10th, reduce loan amount and redeemed collateral against credit facilities because fully paid borrowings from a financial institution for mortgage of machinery and tools

No	Debtor	Creditor	Loan Type	Loan Date	Installment Schedule (Million THB / month)	Remaining Amount Payable (Million THB) as of 31 Dec 2022	Total Loan Amount (Million THB)	Interest Rate (%)	Guarantee	Important Financial Conditions
									buildings, as per NSL's deed no. 154850 4. Mortgage (90 million THB credit limit) and 2 nd mortgage (no additional credits) of land and buildings, as per NSL's deed no. 22473 5. Mortgage (470 million THB credit limit) and 2 nd mortgage (804 million THB credit limit) of land and buildings, as per NSL's deeds no. 31231, 31232, and 31233.	
1.1	NSL	BAY	OD	17 Feb 2010	N/A	-	30.0	MOR	1. Mortgage (40 million THB credit limit) and 2nd mortgage (13 million THB credit limit) of land and buildings, as per NSL's deeds no. 154862 and 154863	N/A

No	Debtor	Creditor	Loan Type	Loan Date	Installment Schedule (Million THB / month)	Remaining Amount Payable (Million THB) as of 31 Dec 2022	Total Loan Amount (Million THB)	Interest Rate (%)	Guarantee	Important Financial Conditions
									<p>2. Mortgage (40 million THB credit limit) and 2nd mortgage (no additional credits) of land and buildings, as per NSL's deeds no. 140806 and 140807</p> <p>3. Mortgage (25 million THB credit limit) of land and buildings, as per NSL's deed no. 154850</p> <p>4. Mortgage (90 million THB credit limit) of land and buildings, as per NSL's deed no. 22473</p> <p>5. Mortgage (370 million THB credit limit) of land and buildings, as per NSL's deeds no. 31231, 31232 and 31233</p>	

No	Debtor	Creditor	Loan Type	Loan Date	Installment Schedule (Million THB / month)	Remaining Amount Payable (Million THB) as of 31 Dec 2022	Total Loan Amount (Million THB)	Interest Rate (%)	Guarantee	Important Financial Conditions
									6. Increased credit limit of every mortgage total 470 million THB	
1.2	NSL	BAY	Credit (for business operation / repayment of previous loans / as guarantee	23 Mar 2018	1 st – 84 th Installments: 9.0	175.5	604.0	Year 1-3: MLR-1.75% and thereafter MLR-1.00% and MLR- 2.00% since 1 Jun 2021	1. Mortgage of land and buildings, as per NSL's deeds no 31231, 31232 and 31233 2. Mortgage of land and buildings, as per NSL's deeds no 154862 and 154863 3. Mortgage of land and buildings, as per NSL's deeds no 140806 and 140807 4. Mortgage of land and buildings, as per NSL's deed no 154850 5. Mortgage of land and buildings, as per NSL's deed no 22473	Same as No.1

No	Debtor	Creditor	Loan Type	Loan Date	Installment Schedule (Million THB / month)	Remaining Amount Payable (Million THB) as of 31 Dec 2022	Total Loan Amount (Million THB)	Interest Rate (%)	Guarantee	Important Financial Conditions
1.3	NSL	BAY	PN	23 Mar 2018	N/A	-	160.0	N/A	Same as No.1.2	Same as No.1
1.4	NSL	BAY	L/C, T/R	23 Mar 2018	N/A	58.8	100.0	N/A	Same as No.1.2	Same as No.1
1.5	NSL	BAY	Forward Exchange Contract	8 Aug 2019	Revolving Credit	1,395,949 USD 555,218 AUD	3.2 million USD	-	-	N/A
2.1	NSL	KTB	L/C, T/R, PN	16 Aug 2021	N/A	-	100	N/A	-	N/A
2.2	NSL	KTB	Forward Exchange Contract	16 Aug 2021	Revolving Credit	-	50	-	-	N/A
Total Loans						234.3	995.0²			

² Total loans are referenced according to the loan agreements with highest credit limit

2) Important Contracts and Agreements

2.1) Acquisition Agreement of the Quality Food Specialty Co., Ltd.

Titles	Details
Date	1 August 2019
Contract Parties	Quality Food Specialty Co., Ltd. (Seller / QFS) NSL Foods Co., Ltd. (Buyer)
Acquisitions	Fish Wholesale Business, Seafood, Meat, Seaweed and Vegetables (Frozen and Processed), and other Seller's Businesses, excluding restaurants
Acquired Assets	<ul style="list-style-type: none"> - Proprietorships, Ownerships, Right of Claim, and other related rights - Benefits in tangible and intangible assets, real estate or movables - Machinery and Tools
Assets and Debts not included in the Agreement	<ul style="list-style-type: none"> - Trade account payables, debts and other seller's obligations - Seller's trade account receivables
Price	5,000,000 THB
Date of Sale Completion	30 December 2019
Important Buyer's Prerequisites	<ul style="list-style-type: none"> - Buyer's confirmation is genuine and true in every respect. - Buyer has been granted permission from relevant government agencies to proceed with the acquisition.
Important Seller's Prerequisites	<ul style="list-style-type: none"> - No significant changes in relevant laws concerning the acquisition or acquired assets, and no incidence takes place that may negatively impact the acquisition - No legal proceedings, lawsuit or any other proceedings by government agencies or any individuals - On the date of agreements conclusion, every employee who would be transferred signs the employment contracts with Buyer, with immediate effect. The number of employees undergoing transfer must be enough for Buyer to continue the acquisition process. - Seller authorizes Ms. Sangdaun Tanavatsatiend and Ms. Waewdao Tanavatsatiend (Guarantors) to sign on a certificate certifying that Seller shall fulfill the responsibilities laid out in the Acquisition Agreement, as follows; <ul style="list-style-type: none"> • While the Guarantors are NSL's employees, the Guarantors or other persons (pursuant to Section 258 of the Securities and Exchange Act

Titles	Details
	<p>B.E. 2535 (1992), as amended) agree to not operate the QFS business or any similar businesses or compete with other businesses similar to QFS in Thailand, except restaurants.</p> <ul style="list-style-type: none"> • Within 5 years after the Guarantors' NSL employee status elapsed, the Guarantor or other persons (pursuant to Section 258 of the said Act) agree to not operate the QFS business, similar businesses or to compete with other businesses similar to QFS, except restaurants.
Competition Prohibition	Within 5 years after the acquisition is complete, Seller and Guarantors agree to not operate--directly or indirectly, by themselves or in conjunction with others, as owners, representatives or any other forms, for their own interests or others'—any businesses in Thailand that are similar to the business being acquired.
Termination	<ul style="list-style-type: none"> - The at-fault Contract Party must correct their breach of contract in every important respect within 30 days after being informed by the other Contract Party. - Seller must not repair any acquired assets that are found to be so significantly damaged that if the Buyer has known, the Buyer would not proceed with the acquisition within 30 days after being informed by the Buyer that the acquired assets are significantly damaged.
Governing Law and Authority	Thai Law

2.2) Employment Contract of Ms. Sangdaun Tanavatsatiend

Titles	Details
Date	1 August 2019
Contract Parties	NSL and Mr. Waewdao Tanavatsatiend ("Employee")
Position	General Manager – Food Services
Special Remunerations	NSL agrees to remunerate the sale, in proportion to the income from the Food Services business' revenue and all other operating costs under the supervision of the Employee.
Competition Prohibition	<ul style="list-style-type: none"> - Throughout the duration of this Contract, the Employee or other persons (pursuant to Section 258 of the Securities and Exchange Act B.E. 2535 (1992), as amended) agree not to operate the QFS business or other similar businesses, except restaurants, or to compete with NSL in Thailand. - Within 5 years after the date the Employee's employment elapsed, the Employee or other persons (pursuant to Section 258 of the said Act) agree

Titles	Details
	to not operate the QFS business, similar businesses or to compete with other businesses similar to QFS, except restaurants.
Non-Disclosure	The Employee will maintain non-disclosure of company secrets throughout the duration of this Contract and in the 5 years after the employment has elapsed.

2.3) Contract of Goods Production for CPALL (7-11)

Titles	Details
Date	22 June 2017 and 8 December 2020
Contract Parties	NSL and CPALL Public Co., Ltd. ("CPALL")
NSL's Guarantee	NSL agrees to make products exclusively for CPALL as agreed, and will not produce any products with similar appearances, characteristics, recipes, production processes, ingredients, compositions, and packagings for other parties, except explicitly consented by CPALL in letters.
CPALL's Guarantee	CPALL will not buy from other producers any products with similar appearance, characteristics, recipes, production processes, ingredients, compositions and packagings to the products bought from NSL, except explicitly consented by NSL in letters.
Effective Duration	19 December 2019 - 18 December 2026
Other Disclaimers	<p>This contract does not preclude NSL from exporting the goods abroad with details, as follows;</p> <ol style="list-style-type: none"> 1) Products whose recipes are owned by CPALL – NSL may not produce the products for any other buyers, both domestic and international. 2) Products whose recipes <u>are not</u> owned by CPALL but with similar appearances, characteristics, recipes, production processes, ingredients, compositions and packagings to the products made for CPALL such as reheated sandwiches – NSL may produce the products for export to other countries.

Securities and Shareholders

Registered Capital and Paid-up Capital

As of 31 December 2022, the Company registered capital stood at 300,000,000 Baht, comprising 300,000,000 ordinary shares at 1 Baht par value and fully paid-up capital totalling 300,000,000 Baht and the Company had no other types of share apart from ordinary share.

Shareholders

The list of Top 10 Major Shareholders of the Company that are listed on the latest shareholder's registration as at 25th August 2022.

Name of Shareholders	No. of Share	(%)
1. Mr. Somchai Asavapiyanond	224,999,800	75.00
2. Mr. Pongit Manomaiudom	2,940,200	0.98
3. Mr. Sompon Roekwibunsi	2,686,000	0.90
4. Thai NVDR Company Limited	2,628,298	0.88
5. Mr. Yossapon Sutharattanachaiporn	2,300,000	0.77
6. Mr. Phornpat Jintanawong	2,220,000	0.74
7. Miss Churailuk Jiemwongsa	2,210,700	0.74
8. Mr. Arkradej Liamcharoen	2,200,000	0.73
9. Miss Ratana Yingpaiboonwong	1,940,000	0.65
10. Mr. Wuthichai Charoenpol	1,846,900	0.62
Total	245,971,898	82.01

Other Types of Shares

-None-

Dividend Payment Policy

NSL has a policy to pay dividends to shareholders in an amount no less than 50% of net profits according to the post-tax separate financial statements, legal reserve, other reserve funds (if any), and the obligations as described in loan agreements. Furthermore, NSL will consider dividend payment by taking into account every factor, with a view to maximize the benefits of shareholders. Also, the dividend payment must not significantly affect the normal business operations of NSL. It is also important to note that the amount of dividend payment may alter from the original rate, depending on factors such as business operations, financial position, liquidity, cash flow, and the need to invest working capitals in business operations, further investments and expansion of business. Ultimately, the Board of Directors has to present its decision concerning dividend payment for approval during the shareholders' meeting, except in cases of interim dividends where the Board of Directors has the authority to approve the dividend payment and then report the payment to the shareholders during the next shareholders' meeting

Dividend payment must be derived only from profits, and must not include the payment derived from any other types of funds. Should NSL record accumulated losses, dividend payment is forbidden, except in the cases of preferred stock whose regulations specify otherwise. The dividend payment must be approved by the shareholders' meeting and then carried out according to the total number of stocks, with each stock being paid equally.



Risk Managements

Business Risks

Risk from high dependence on major customers

The Company depends heavily on a single partner. The Company has reached an agreement with the said partner, effective until 2026, and has a policy to foster strong partnerships with the partner on the basis of good and close business relationship, including the joint business planning in consultation with our partner. Demonstrating our good partnerships, the Company has always been given an opportunity to grow alongside the said main business partner. While the growth in the Food Service sector has fallen short of the expected level as a result of the COVID-19 Pandemic and has fallen short of the growth level of our main business partner because of the smaller market reach, the Company has taken steps towards the expansion of its market share and the strengthening of the Company's brand image.

From 2020 – 2022, NSL's sale to CPALL accounts for 94.3%, 91.7% and 90.9% of total sales revenue, respectively. This number is in accordance with the MoU on exclusive products manufacturing confirmation with CPALL, with the agreements spanning 7 years from 19 December 2019 to 18 December 2026. The MoU was first made in 2014 and has since been continuously renewed.

Every year, NSL prepares a Business Plan in conjunction with CPALL that concerns every products group and takes this opportunity to present new products to CPALL, allowing NSL to keep the pace with CPALL. This practice ensures that the two companies' partnership remains strong.

NSL has reiterated its commitment to CPALL that NSL will continue to manufacture the mutually agreed products exclusively for CPALL, and will not produce any products for other customers that resemble the said exclusive products in appearance, characteristics, recipe, ingredients, packaging and production process, unless CPALL requests otherwise. Likewise, CPALL confirms that it will not buy the same type of products from any other producers, unless consented in letters by NSL.

Realizing the risks that come with the dependence on CPALL, NSL has developed its products to be marketed under company brands since 2015, including "Butterfin" butterfly pie, "Pangtai" baked crispy pie, "Natural Bites" protein and fiber chips and Rice Bar by NSL. NSL has also entered the Food Services business, recognizing the high growth potential in this sector as the number of active companies remains low, and because of the expertise and experience of NSL executives in such business sector.

To reduce its dependence on major customers, NSL has the following plan;

- 1) Increase the revenues from other sectors such as Food Services, Rice Bar, Food and Snacks, with a view to keep the sales proportions to CPALL (by MoU) at about 70% of total revenues. The other 30% would come from other sources of income. In 5 years, NSL has a plan to expand its export markets and add new points of sale for its snack, Rice Bar and Ready to eat food products.
- 2) Open for JV and M&A opportunities in business sectors concerning food

Risk from the possible non-renewal of the MoU on products exclusivity with CPALL

NSL started selling products to 7-11 in 2009, and has developed its partnerships with CPALL to become closer and more mutually-understanding. NSL has continuously developed new products in conjunction with CPALL to meet the demands of the target groups, benefiting both NSL and CPALL. The products developed under MoU are properties of CPALL. Having always been able to meet the business needs of CPALL, NSL records

more than 70 products currently being sold by CPALL. The products produced by NSL continue to be many's favourites, with increasing sale figures year on year. For this reason, NSL has been awarded the 7 Innovation Awards 2014, demonstrating the trust NSL has received from CPALL.

Whereas the MoU with CPALL has an expiry date, the NSL executives remain convinced that the good partnerships enjoyed by the two companies will allow them to grow together. NSL is moreover confident in the expertise and capabilities of NSL in food business and cost management flexibility, which together will contribute to the agreements and further renewal of the MoU.

While there is no sign that CPALL will not renew the MoU, NSL envisions that should the MoU have not been renewed, NSL would still be able to manufacture products for CPALL on a non-exclusive basis, where NSL must develop its products to compete with other producers.

Additionally, NSL also possesses the ability to manufacture products for customers other than CPALL if those products are NSL's marketing properties and not covered under the MoU. Nevertheless, the non-renewal of MoU would have considerable impact on NSL's business operations, decreasing sales revenue comparing to that recorded under the MoU.

Risk from high competition

Bakery and snacks and ready-to-eat food business as well as the Food Services business are highly competitive, including various big and small companies. Consequently, consumers have many different products to choose from. Thus, the success of NSL depends on its competitiveness both in marketing and effective cost / expense control. NSL is committed to not using a cost-cutting strategy; instead, NSL focuses on making sure that the products are delicious and of good quality, and its branding strong. Along this line, NSL possess many comparative competitive advantages, as follows;

- 1) NSL has good understandings in how to meet the demands and maintain longstanding good partnerships with business partners.
- 2) NSL's executives have high expertise and over-20-year experience in food sectors, ensuring that NSL's business operation is effective.
- 3) NSL's corporate culture is family-like, where mid-level executives can engage and share their opinions with high-level executives, ensuring that the decision-making is well-informed and always with initiatives.
- 4) NSL maintains good partnerships with major Modern Trade retailers, who serve as the points of sale for NSL nationwide.
- 5) NSL possesses innovative products, being among the first in healthy products industry.
- 6) NSL's current business size encourages more effective cost control by means of the economies of scale and increased capabilities in procurements, logistics and advertisements.

Risk from the price volatility of raw materials

As the cost of raw food materials is the most important cost for NSL, the price fluctuation may negatively affect the business operations of NSL as it may not be possible to increase the retail price to compensate for higher raw material cost. Important raw materials include flour, butter, sugar, milk, ham, sausage, and seasonings, which at certain times and under certain circumstances, its prices may become volatile as a result of outside factors such as natural disasters, drought and pandemic and exchange rate that causes people to hoard supplies.

To reduce such risk, NSL has implemented several measures to control the raw material cost at an acceptable level. These measures include (1) make a projection in advance of the demands for raw materials with price volatility that may affect total cost as this will help NSL make an appropriate procurements plan with suitable purchase amount and timeframe—this projection will be done at every factory location to enable the company to make bulk order at the same time; (2) pair the purchase of baking supplies with the NSL's Food Services business, which imports baking supplies and frozen bakery products for distribution to HoReCa and Modern Trade customers, this will enable NSL to make bulk order that normally leads to cheaper prices; (3) procure seasonal ingredients in advance and store them in suitable storage that will not negatively affect the ingredients' qualities, this will help cushion the high price volatility that may occur in some seasons-NSL also has as a contingency plan for when certain ingredients are scarce, and the price increases so much that NSL's main product groups are affected; in this case, substitute recipe will be used, and new raw materials sourced without affecting the taste and quality of products. (4) The Company has a policy to negotiate the price of the raw material according to the production demand both for the production carried out by the Company, and other productions that are carried out by outsourced suppliers. The negotiation is done in conjunction with our overseas suppliers, with the consideration inputs from the sales plan and production plan as prepared by the Company. (5) The Procurement Department will follow up on the situation and updates with regards to the price and amount of the raw material required. This also includes the additional sourcing of raw material and the contingency planning in case the essential raw materials become scarce, which would entail an additional sourcing of alternative raw material that does not affect the taste and quality of final products. (6) Our key suppliers are requested to produce a risk management plan with regards to the key raw material. (7) The R&D Department will coordinate with the Procurement Department in finding and trying out a 2nd source for the raw material that is required in large amount.

Risk from various diseases and the impact of the COVID-19 pandemic

In 2022, The government has declared COVID-19 an endemic disease. The Company has regularly monitored and evaluated the impact from the COVID-19 Pandemic since the last year up until present. This monitoring and evaluation begin with the impact assessment conducted by various departments in the Company and culminate in the overall assessment for the whole Company that would explain the future business directions of the Company.

Nonetheless, with or without the pandemic, NSL maintains its emphasis on ingredients sourcing by selecting only quality produces from credible producers whose products possess traceability, allowing NSL to track the production process, from farm to logistics. This is to make sure that all the products that have been brought in meet our standards, are quality products, uncontaminated, clean and safe to consume. For its effort, NSL's food production process has been awarded the Hazard Analysis Critical Control Point (HACCP), the Good Manufacturing Practices (GMP), the quality management standards of ISO 9001 and ISO 14001, the Thai Labor Practices certificate (TLP 8001-2010), the HALAL standards, and the Thailand Trust Mark by the Department of International Trade Promotion, Ministry of Commerce of Thailand, certifying that NSL factories meet the internationally-recognized standards.

In response to the COVID-19 Pandemic, the Company has taken steps to maximize its business operation effectiveness in 3 aspects, including production efficiency, RM P/M efficiency, and operation efficiency. This has resulted in the Company's stable and sustained growth.

Risk from product's quality and consumer's safety

Consumer's safety is very important as only small mistakes-be they contamination or expired products-may severely affect consumers' confidence in NSL products. Hence, NSL has taken steps to ensure that all raw materials are meticulously selected and processed, with the R&D, production and quality control divisions working together to reduce the risk of such mistakes. Seeking to ensure the consumers of our product's quality, NSL has received numerous certificates guaranteeing its compliance with international standards such as the HACCP, GMP, HALAL, ISO 9001, ISO 14001 and the Thai Labor Practices certificate (TLP 8001-2010), and the Thailand Trust Mark (T Mark) of the Department of International Trade Promotion, Ministry of Commerce.

NSL also introduces measures to monitor the risk from product's quality and consumer's safety. The marketing and sales division is responsible for receiving complaints and discussing with complainers / NSL customers to deal with the problem swiftly, as well as handle compensations where appropriate. NSL also has product liability insurance to prevent the damage which may be caused by complaints regarding the products NSL sell.

Cyber Threat and Security Risks

The working mode shift engenders the need to address cyber threats emanating from the practice of remote working, the digitalization of many Companies' business models and the resulting cyber security threats and the possible digital vulnerabilities.

Therefore, the Company has begun raising the cyber security awareness among its employees to address the danger posed by cyber security threats, ranging from raising the awareness of the dangers of malware to scam emails. The Company also has introduced the standard practices and awareness enhancements regarding the safe digital resources management and preservation so that every employee knows how to defend and protect against cyber security threats. Additionally, the Company has acquired more digital tools and digital technology that can protect against cyber attacks and cyber security threats by equipping its IT Department with the capabilities to monitor and investigate the Company's IT and Cyber Security.

Data Privacy Risks

In this digital age, information has become an important factor influencing the business competitive advantage. Every company now gathers, analyzes and makes use of the information in enhancing their business performance and advantages. This has prompted a concern that the gathering and analysis of this information may infringe upon the data privacy of consumers and violate the Personal Data Protection Act B.E. 2562 (2019) or PDPA, damaging the image and reputations of the Company.

The Company's risk management against possible personal data privacy violations includes raising awareness on personal data protection, emphasizing the importance of due respect given to each individual's data privacy, personal rights and data protection; all of which form the basis of personal privacy as safeguarded in the PDPA (2019).

The Company has also formulated the policy to protect personal data privacy and to form the standard practices for both executives and personnel from all levels with regards to personal data, ranging from its collection, disclosure, data quality, and protective measures. This is to ensure that the gathered personal data as well as the personal rights of individuals concerned are safeguarded against data privacy violations in accordance with the regulations as stipulated in the PDPA (2019).

Other Risks

Risk from having a majority shareholder with more than 50% share

Mr. Somchai Asavapiyanond has over 71.67% of the total share, which constitute a significant and majority shareholder. The majority shareholder has considerable leverage in terms of decisionmaking that concerns the company's general directions, administration and policy, as well as control the shareholders' meeting's outcome that needs a majority vote. Thus, other shareholders may find it difficult to accumulate enough votes to check and balance the points that the majority shareholder proposes. However, when considering the NSL's management structure that comprises the Board of Directors and the Audit Committee, it is clear that the management structure has clearly and transparently specified the scope of power and responsibilities of each committee. The structure also indicates that reports have to be made on the possible connection between the directors, majority shareholder, any other persons who can control the company, and persons who may have conflict of interest. The said persons will not be able to vote on that particular issue. An independent board will also participate in the consideration and voting process to ensure transparency and foster the confidence that the NSL's management structure has check-and-balance mechanism and effective administration.

Corporate Growth towards Sustainability

Sustainable Management Policies and Objectives

NSL Foods Public Co., Ltd. (“Company”) operates its business under the framework of good corporate governance, transparency and accountability, with the commitment to the corporate growth that seeks to strike a balance between economy, society and environment. Aiming to become a Good Corporate Citizen, the Company envisions sustainable business operation that would contribute to its sustainability and acceptance among the general public on the basis of virtues and good corporate management. Nonetheless, the Company also works for the benefits of the shareholders with due concerns given to all business operations that affect the Company’s stakeholders. To this end, the Sustainable Management Policies of the Company are as follows;

Security and Prosperity Aspect

The Company attaches particular importance to mobilizing a modern and effective production process, coinciding with the globally-renowned food quality and safety standard of ISO9001:2015, the HACCP Codex and GHP Codex standards and also HALAL standard. The Company has also been awarded the environmental management standard of ISO14001 and the Thai Labor Standard of TLS 8001. These awards ensure all stakeholders that the Company meets the accepted quality, hygiene and consumers’ safety standards, while remaining eco-friendly and socially responsible.

Moreover, the Company emphasizes innovation in order to enhance productivity while focusing on responsibility towards stakeholders. To this end, the Company has worked alongside academic institutions to conduct projects on food innovation and utilize these researches and innovations in fostering Thailand’s economic and social developments.

Awareness Raising and Human Resources Development Aspect

- Employees are persons who drive the Company forward towards sustainability. The Company encourages every employee to realize the importance of sustainable growth while understanding the social and environmental contexts that affect the livelihoods of everyone. This is because if every employee realizes the importance of sustainability, the Company would be able to manufacture products that are well-designed and ready to be proudly sold to the consumers.
- The Company also engenders a sense of partnerships between employees and the Company by create NSL Family’s Culture activities to express form and behavior in the same direction, they must be a directional activity. Create affection and bonds within the organization, and rely on one another as a family through the following 3 cultures:

Nice attitude : Prioritize a positive attitude, an open mind, attentiveness, respect for coworkers, and a focus on the common interest.

Sense of belonging : Having a sense of ownership, recognizing the issues facing the common people, working together to find solutions, and accepting responsibility and creating an atmosphere of exchange and communication within the organization by sharing information and offering assistance.

Lifelong learning : Adapting to the situation, continuously seeking knowledge, enhancing abilities, and fostering the growth of others based on their unique abilities.

This is done through corporate operation and activities that are designed to make employees realize that they are a part of the Company's growth. Focus is also given to the continued development of employees' capabilities, transparent evaluation process and a fair system of remunerations and welfare for the employees.

- In 2022, human resources development activities were carried out, both onsite and online, to enhance the knowledge, skills and capabilities of the employees. These served as opportunities for employees to hone their skills and improve their work performance. Employees from every level were given these opportunities in order to ensure that all can equally access the prospect for professional growth, with fair growth and appropriate evaluation in mind.



The pictures of NSL Family's Culture activities since March - December 2022

Staff's training	Units	2022	2021
Training hour	Hour	21,017	17,239
The number of staffs	Person	2,141	1,636
Average training hour	Hour/ person/year	9.82	10.54

Table of the staff's training hour

Partnerships for Sustainability Aspect

In facilitating business growth, the Company realizes the importance of engagements with all stakeholders, from upstream to downstream, in ensuring that the corporate growth could continue alongside the growth of stakeholders and partners. This partnership for growth is built on the foundation of fairness, engagement and value sharing with a view to allow the partners to be proud in being a part of this process of delivering our shared-values products to the consumers.

- The Company seeks to foster business partnership with customers, suppliers and all service providers. Our policy of fostering long-term relationships with customers also includes joint partnerships under the concept of mutual business alliance, which goes beyond just commercial relations, but also comprises close cooperation, opinions exchange, joint business planning, and the joint development of products and packaging that meet the consumers' demands and respond to the market trends effectively.
- The Company also promotes the use of raw materials and packaging that are eco-friendly and considered "Fair Trade," by hiring the services of the suppliers who have such production process.

Eco-friendly Production and Products Aspect

- The Company develops its production process to be up-to-date and seeks to reduce the wastes produced. To this end, measures are introduced such as wastewater management, production waste reduction and alternative energy utilization-solar cell, for instance. These are done alongside the accomplishments of the ISO9001 and ISO14001 standards, making stakeholders confident that the Company's products are eco-friendly, while tasty and high in nutritional values.
- The Company also has a policy concerning the study of alternative resources utilization and innovation such as developing the packaging that is made from natural and eco-friendly materials. This policy is in response to the recent crises that are results of the global scarcity of resources and climate change. These crises include the COVID-19 Pandemic, flood, drought and other disasters that negatively affect agricultural production and may cause certain shortages.

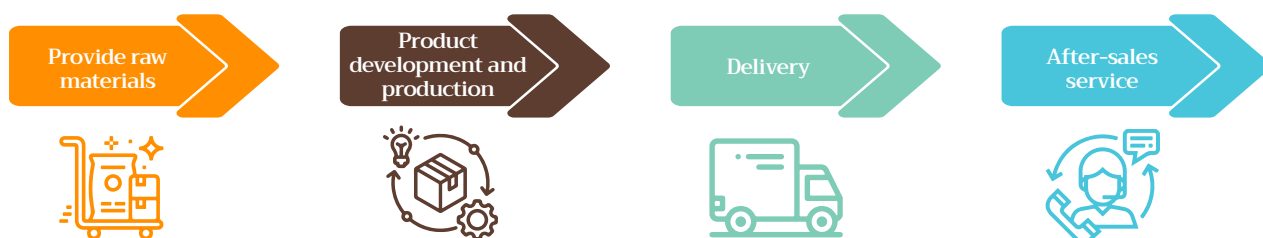
Business Value Chain Stakeholders' Impact Management

The Company's main business activities are the production and sale of bakery products. Hence, its value chains start from the upstream process of raw material producers, delivery to factory, midstream process of goods processing such as bread, sandwich, croissant and other baked goods to the downstream process of distribution to various points of sale to the hands of consumers. Besides the main value chains that concern the production and distribution of products, other stakeholders also exist. The business value chains could be assessed and divided into various stakeholders, as follows;

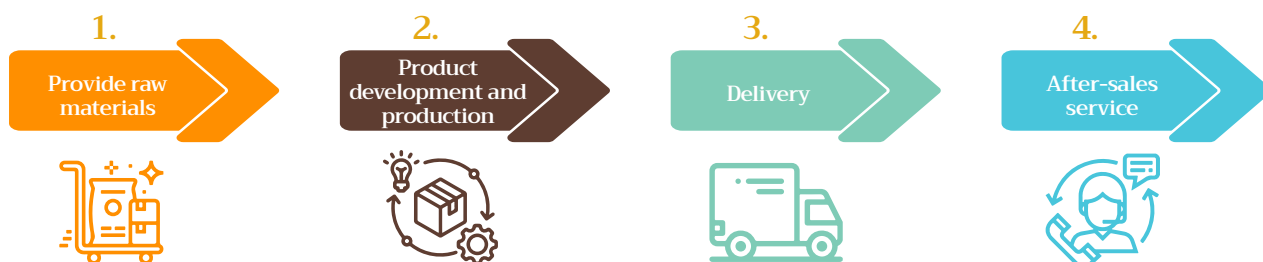


Value Chain

- Provide the procurement of raw materials, consider the quality and sustainability of suppliers' reports
- Quality control of raw materials
- Raw materials and ESG Services Risk Assessment
- Produce quality and safety products along with social and environmental operations, responding to consumer needs
- Delivery while maintaining the quality of the goods
- Organize delivery by minimizing affect to surrounding community
- Receiving and handling customer complaints and feedback while weighing the expectations of various parties
- Analysis of market and customer needs for ongoing product development



Value Chain Stakeholders'



1.	✓	✓	✓	✓		✓	✓
2.	✓	✓	✓	✓		✓	✓
3.	✓	✓	✓	✓		✓	✓
4.	✓	✓	✓	✓	✓	✓	✓

Stakeholders	Communication Channel	Expectations	Company's Responses
Customers	<ul style="list-style-type: none"> Stakeholders survey Business review Company website Customer satisfaction survey every 4 months Receiving complaints channels Email 	Products' Values	The Company emphasizes our responsibility in delivering to customers products that are of high quality, meet the set standards such as ISO9001:2015, GHP/HACCP Codex, ISO14001 and preparing to support the GFSI standard in retort products and could respond to the demands of customers. This responsibility also entails the understanding and cooperation with customers, customers' data protection and assessments, with activities including customers' satisfaction survey every 4 months and the opening of channels for customers' complaints.
Raw Material Producers/ Partners	<ul style="list-style-type: none"> Stakeholders survey Company website Email Meeting with suppliers every 3 months 	Fair Treatments	The Company has a policy concerning the "Fair Trade" transactions, fair selection, growth promotion and adherence to the jointly-agreed agreements with our partners.
Employees/ Labor	<ul style="list-style-type: none"> Stakeholders Survey Receiving complaints channels Morning talk Board of employee welfare meeting 	Fair Treatments	The Company realizes that the employees and the labor force are the hearts of its operation. These main stakeholders are the main reasons why the Company could continue to develop. Demonstrating this, the Company is committed to human resources development, capability and knowledge enhancement of our employees, with due respect given to the equal treatments of persons, notwithstanding their genders or personal preferences. These illustrate the Company's devotion to human dignity, fair remunerations, evaluation, welfare and the compliance with relevant labor laws such as Thai Labor Standard, TLS 8001.
Surrounding Communities	<ul style="list-style-type: none"> Stakeholders Survey Receiving Complaints channels 	Factory's Surroundings and the Factory -Community Co-existence	Our factories utilize the management standards that give importance to the environment and compliance with the relevant laws. These include the existence of adequate control and review of waste management systems, and the promotion of projects that seek to minimize waste, listen and respond to the community's complaints and predicaments.
Investors	<ul style="list-style-type: none"> Company website AGM Meeting SET Opportunity day 	The Company's growth, business development and disclosure	In accordance with ethical standards and sound corporate governance, the Company provides good cooperation and equally and transparently discloses information to investors. Maintain positive relationships with stakeholder groups while supervising them. The objectives of the business plan are made abundantly clear.
Consumers	<ul style="list-style-type: none"> Receiving complaints channels Website and Email 	Products' Values	The Company has a goal in delivering innovative and health-friendly food products to the consumers, with due attention given to products' responsibilities, information disclosure and consumers' demands.
Government Agencies	<ul style="list-style-type: none"> Email Company website Government agencies walk-in Joining Government project 	Legal Compliance	The Company monitors the issuance of all laws and regulations that concern our business operation in order to ensure the Company's legal compliance.
Shareholders	<ul style="list-style-type: none"> Company website AGM Meeting SET opportunity day One report 	Corporate Growth Data, Corporate Values Enhancement and Disclosure	<p>The Company emphasizes effective, transparent and accountable business operation, with complete and timely disclosure of information for all shareholders a key component. This is done under the framework of virtues and good corporate governance, while ensuring good relationships with all stakeholders.</p> <p>The Company also has clearly defined business policies. Even during the COVID-19 Pandemic, the Company is still able to conduct cost management, maximize productivity and ensuring the Company's equal treatments towards all shareholders in terms of information disclosure.</p>

Environmental Sustainability Management

Environmental Policies and Practices

NSL Foods Public Co., Ltd. - a leading manufacturer of bakery goods and other consumer goods - is committed to the manufacture of products that meet the consumers' demands, while taking care of the environment and natural resources sustainability, in accordance with the Sustainable Development Goals, international standards, environmental responsibilities and our policies concerning eco-friendly production process both ours and our partners'. These policies and practices are as follows;

1. The Planning of Production Process that Minimizes Waste and Energy Consumption

The Company plans our production process in order to reduce waste and energy consumption. This will help immensely with respect to the environment, complaints reduction, confidence building among the communities and the cost reduction. The practices are as follows;

- The Company has planned its production process and line based on the approved assessment by employees and experienced advisors. Effectiveness of production process is also assessed with areas to be improved highlighted.
- The Company carries out regular maintenance of machines to ensure maximum efficiency and efficient energy consumption.

2. Production Waste Management

Production waste is managed strictly according the law and other relevant environmental regulations to control the Company's impact on the environment and ensure stakeholders that the Company's operation is in compliance with the law, with a view to go above and beyond the existing regulations and achieve exemplary standards, including;

- The Company's operation coincides with the concerned regulations and international standards, including ISO9002:2015, ISO14001 as well as other standards as specified by customers.
- The Company selects its waste management provider who is certified and approved by the Department of Industrial Works, in order to ensure legal compliance.
- The Company produces reports on the management of production waste and business operation to dictate its waste management policy in coherence with effective business operation.

3. Finding Alternative and Clean Energy Sources

Alternative Energy and Clean Energy are one of the main goals of eco-friendly factory operation. The Company has set up a team to research the possibilities of sourcing energy from a clean energy source such as solar energy, for instance and plan to reduce using the energy that effect greenhouse gases. The Company plan to install the solar rooftop as a source of electricity for the company which is clean energy.

4. Specifying Environmental KPIs, Objectives and Goals

To reduce and control the risks of environmental impact from business operation throughout the process, the environmental KPIs, objectives and goals are specified to foster the Company's commitment on eco-friendly policy implementation, eco-friendly corporate culture as well as the evaluation process that coincides with the set objectives and goals.

5. Review of Environmental Policies

Environmental policies are constantly reviewed to ensure compliance with international standards. The policies are then constantly evaluated and modified to demonstrate the commitment pledged towards the environmental, health and safety of all employees, stakeholders and communities.

Eco-friendly Activities in 2022

Implementation of environmental control in accordance with predetermined objectives

- Environmental laws and regulations that have an impact on the environment are the subject of complaints. "Not happened".
- The prevention of exhaust ventilation, dust, and waste water is strictly adhered to in accordance with all legal requirements.
- No accidents were found as a result of supervision, accident prevention, or pollution-related accidents.
- The control of energy consumption, electricity, water, and gas, calculated according to the amount of baht per piece of work, is within the specified control criteria, averaging 92.5% of the target set to meet the standard of 100% due to the government's increase in electricity costs beginning in September.
- The average production process's waste control included branches 1 and 2 "not exceeding the target".
- As planned, a meeting is being held to review the environmental management plan.
- Environmental law violations and the use of toxic substances are both considered to have "Not happened".
- In 2022, there are two project plans related to energy or the environment.

Waste Management

In 2022, the Company encouraged our employees to sort waste into types: 1. General waste 2. Food waste 3. Recyclable waste and 4. Hazardous waste. This is to facilitate the process of waste management and recycling, as well as the reduction of undesirable smell and disease-carrying insects which may harm the health of the employees. There is a continuous control and monitoring of waste amount to reduce waste within the organization.

Energy Management

In 2022, the Company encouraged our employees to conserve energy and use energy only when needed, as well as carried out maintenance of the electrical system. In 2023, the Company aims to reduce the consumption of energy compared to 2022, and produce energy usage report and conduct evaluation of every project, including;

- Energy conservation projects and the adjustment of the chiller's temperature to conserve energy
- Changing the factory lighting from dual LED to high efficiency single LED

In addition, there are continuous activities and training every year to enhance employees' energy-saving awareness. For example:

- Provide "Energy management" training for engineering department
- Provide "Energy conservation" training for all new employees
- During daily breaks, announce energy-saving policies, slogans, and methods to employees
- Set up Safety & Energy Week

Water Management

1. Promote corporate culture that promotes water conservation and encourages employees to realize the values of water and water resource management
2. Foster efficient wastewater management system

Greenhouse Gas Management

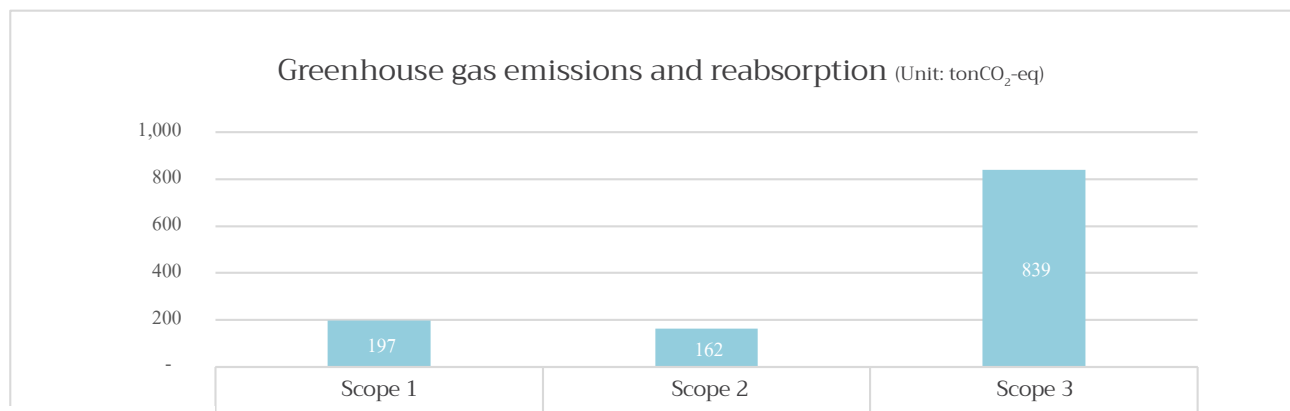
In 2022, NSL began collecting data on greenhouse gas emission, and the following actions were taken:

1. Greenhouse gas data preparation by a Consulting Company began offering advice on the collection of data on greenhouse gases, establishing the Carbon Footprint for Organization (CFO) working group, defining its mission, purpose, and action plans, among other things.
2. The CFO committee and those involved started training on greenhouse gas reporting.
3. Start gathering information on primary greenhouse gases, such as stationary combustion. Mobile combustion uses fire extinguishers, refrigerants, electricity, paper, etc.

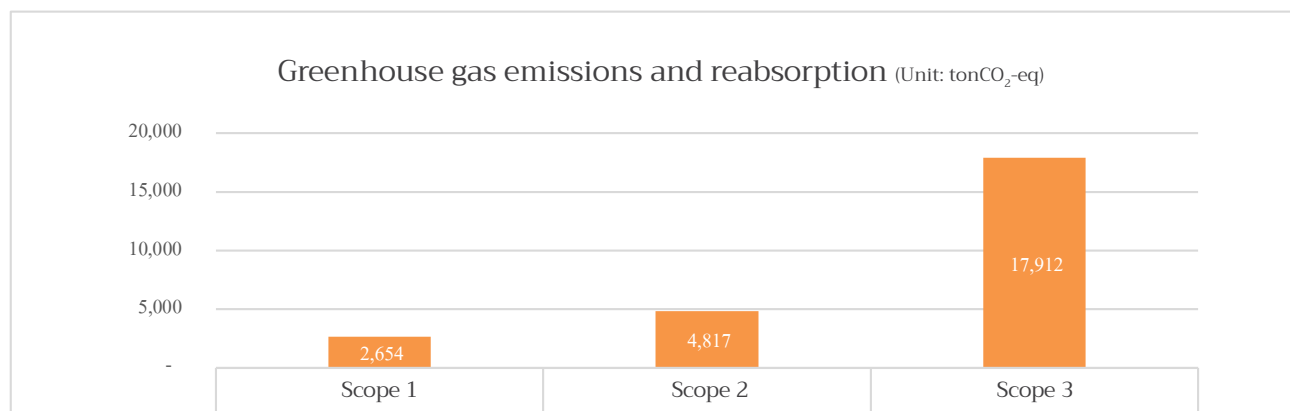
4. Set a monthly target for the company's greenhouse gas data collection in 2022 and get ready to establish a committee for greenhouse gas management to support and manage pertinent information. Summarize reports and documents for consultants to review. Additionally, it fosters an organizational culture that promotes environmental awareness and educates staff on how they can help lessen the effects of global warming and climate change.

The Company collected data for greenhouse gas emission and reabsorption in 2022 for Head office and the factory branch 2 as the below result. The Company data has been reviewed by ECEE Co., Ltd.

Head office



Branch 2



Note : Scope 1 is direct greenhouse gas emissions and reabsorption. Scope 2 is the emission and indirect absorption of greenhouse gases from energy consumption and Scope 3 is other indirect greenhouse gas emissions (Category 1 Purchased goods and services, Category 3 Fuel and energy related activities, Category 4 Upstream transportation and distribution, Category 5 Waste generated in operations and Category 9 Downstream transportation and distribution).

Sustainable Management in Social Aspect

Social Policies and Practices

The Company has a policy that emphasizes social responsibility and sustainability. This policy has always been central to the Company's core policies, both at the company level by fostering transparent and efficient management and good corporate governance, and at the customer and partner levels by preserving the quality of our products and producing the goods that are beneficial to consumers. Additionally, the Company supports the activities that benefit the society and community, with the practices as follows;

1. Virtuous and Fair Business Operation

The Company emphasizes business operation that engenders sustainable growth under prudent, virtuous, transparent and professional administration in accordance with the regulations and relevant laws. Our business operation also takes into account good corporate governance, as stipulated by the Stock Exchange of Thailand. The Company has always treated its partners and creditors with fairness, equality and non-exploitation, while making sure that all commercial conditions and agreements are duly observed in order to promote business partnerships that are mutually beneficial. Fair competition is also emphasized, and any activities that are deemed unfair and unjustly damaging to other competitors avoided.

2. Respect for Human Rights

The Company has been certified according to the Thai Labor Standard, TLS 8001, demonstrating our respect for human rights and non-usage of child labor. The Company believes that everyone must be treated as part of the community, with freedom and human dignity, free from injustice and discrimination-be it gender or status. The Company pledges to adopt human rights as key principles in business operation, with a view to achieve a corporate administration that is family-like, united and with a shared vision. To this end, employees at every level are treated equally.

NSL has adopted labor standards and social responsibility on labor to the business in order to demonstrate the social responsibility of labor to the company's business (TLS 8001/2020) used in the company with the scope covering all areas of the factory and covering hired and contracted work, in which all parties involved must be carried out in accordance with the intent of the standard and in accordance with the legal requirements, with the following objectives;

1. The majority of Thai labor laws' general requirements are managed through written documents 100%.
2. At least once a year, management held a meeting to review labor law (Management review)
3. Zero complaints about forced labor
4. Zero complaints about illegal wage payments and compensation for work
5. Working hours Overtime exceeding 24 hours per week must be zero.
6. According to the law, employees are entitled to holidays and leave.

7. Zero complaints about discrimination
8. Punishment and discipline must entirely adhere to the law.

The 2022 operation achieved the above target at 100%.

Labor Practice

The Company ensures that the remunerations rendered are suitable to Thai industrial contexts, with periodical adjustments regarding corporate structure done on the basis of Thai law. The Company also follows the law and regulations on hygiene and safety, creating a safe working environment for employees and observers with the objectives to minimize losses or dangers caused by accidents. Steps are also taken to increase opportunities for growth for employees by promoting professional training and learning opportunities.

The objectives and targets are as the following;

1. Implementing the 100% of safety plan
2. Disability-causing workplace accidents down to zero
3. Discovering no illnesses among workers as a result of risk factors

The 2022 operation achieved the above target at 100%.

Fair Treatments

1) Fair Business Operation

The Company emphasizes fair business operation, specifying clear rules and regulations concerning all procurements to encourage fair competition and partner selections, complete with the auditing done by external agencies to avoid potential corruptions and create a network of shared interests, experiences and goals in enhancing the competitive capabilities. The Company also has policies and practices concerning non-infringement of copyrights and intellectual property, conduct business based on good corporate governance, responsibility towards all stakeholders and compliance with the law, contracts, and agreements.

2) Fair Treatment of Employees

The Company attaches importance and attention to our employees. They are treated fairly and with respect to human resource management. The employees are recruited, developed and encouraged to become effective employees with a view towards efficient business operation and achievement of set goals. The Company also makes sure that the remunerations are specified appropriately based on each employee's capabilities and performance, and on the rate comparable with other companies. Employees can also access appropriate welfare and assistance. In human resources development, the Company has taken steps to ensure that all employees can access adequate training opportunities to enhance their capabilities that contribute to personal professional growth and corporate benefits. Employees are also encouraged to share their thoughts, both directly and indirectly, which would foster a participatory solution-finding process.

3. Relationships with Customers and Partners

The Company focuses on the production process that is of high quality, meets accepted standards and the demands of customers. Partners are treated based on fairness, equality, corporate honesty, mutual interest and business ethics. The Company seeks to maintain and develop its relationships with partners going forward.

NSL continues to perform annual quality system audits for ISO9001 GHPs and HACCP. In addition, there is a monthly channel for receiving health-related or unsafe product consumption teachings as well as corrective and remedial measures.

4. Joint Development of Community and Society

The Company conducts our business with community and social responsibilities in mind. Always realizing that a strong community and society is a positive factor for business operation, the Company seeks to participate in developing the community and society by taking part in activities.



Management Discussion and Analysis for the year ended 31 December 2022

Summary of operating performance of 2022

Operating Performance	2022	2021	Increase (Decrease)	% Increase (Decrease)
	MB.	MB.		
Sales	4,001.5	3,038.3	963.2	31.7%
Other income	8.3	4.6	3.7	80.8%
Total Revenues	4,009.8	3,042.9	966.9	31.8%
Cost of sales	3,259.3	2,496.7	762.7	30.5%
Distribution costs	267.1	203.8	63.3	31.1%
Administrative expenses	101.4	93.2	8.1	8.7%
Profit from Operating Activities	381.9	249.2	132.7	53.3%
Finance costs	10.3	16.8	(6.5)	(38.8%)
Profit before income tax	371.6	232.4	139.2	59.9%
Income tax expenses	74.0	41.3	32.8	79.4%
Net Profit	297.6	191.1	106.5	55.7%

Revenue

Item	2022		2021		Increase (Decrease)	% Increase (Decrease)
	MB.	%	MB.	%		
Sales	4,001.5	99.8%	3,038.3	99.8%	963.2	31.7%
• Bakery and appetizers	3,643.4	90.9%	2,791.2	91.7%	852.2	30.5%
• Snack under NSL's brands and trading	34.9	0.9%	24.9	0.8%	10.0	40.1%
• Food Services	288.3	7.2%	207.3	6.8%	80.9	39.0%
• OEM and others	34.9	0.9%	14.9	0.5%	20.0	134.6%
Other income	8.3	0.2%	4.6	0.2%	3.7	80.8%
Total Revenue	4,009.8	100.0%	3,042.9	100.0%	966.9	31.8%

In 2022, NSL's revenue from sales and other income were accounted for 99.8% and 0.2% of total revenue, respectively. Revenue from sales comprises products of bakery, appetizers, products by NSL's brands and trading, food services, OEM and others.

In 2022, NSL had revenue from sales of 4,001.5 THB millions, increased from 2021 by 963.2 THB millions or accounted for the increase of 31.7%, mainly due to COVID-19 pandemic situation was the most severe in Thailand in Q321 but in this year, COVID-19 pandemic situation could recover and more relax since Q421 and partner emphasize delivery sales and promotion continuously in the result of sales increasing. Moreover, the revenue from food services increased from the same period of the previous year, due to COVID-19 pandemic situation could recover and more relax.

Other income

In 2022, NSL's other income increased from 2021 by 3.7 THB million, from the support of marketing expenses to boost sales.

Cost of sales and Gross profit

Item	2022		2021		Increase (Decrease)	% Increase (Decrease)
	MB.	%	MB.	%		
Revenue from sales	4,001.5	100.0%	3,038.3	100.0%	963.2	31.7%
Cost of sales	3,259.3	81.5%	2,496.7	82.2%	762.7	30.5%
Gross Profit	742.1	18.5%	541.6	17.8%	200.5	37.0%

In 2022, gross profit margin was improved from the same period of the previous year mainly due to in 2021, COVID-19 pandemic situation was the most severe in Thailand so sales dramatically decreased but in this year, the situation has returned to normal and although raw material cost increased, however, NSL has adjusted price of some products thus they are partially offsetting the increase in raw material costs.

Distribution Costs

Item	2022		2021		Increase (Decrease)	% Increase (Decrease)
	MB.	% of total revenue	MB.	% of total revenue		
Promotional and advertising expenses	3.4	0.1%	9.0	0.3%	(5.5)	(61.8%)
Sales transportation expenses	196.5	4.9%	142.2	4.7%	54.3	38.2%
Salaries, wages, overtime, bonuses, and employee benefits	47.9	1.2%	35.2	1.2%	12.7	36.2%
Other distribution costs	19.2	0.5%	17.4	0.6%	1.8	10.3%
Total Distribution costs	267.1	6.7%	203.8	6.7%	63.3	31.1%

The distribution costs in 2022 increased from the same period of the previous year by 63.3 THB million. It was mainly due to the increase of sales transportation expenses from increasing of fuel price and more product delivery cycle. Moreover, Salaries, wages, overtime, bonuses, and employee benefits increased from increasing in personnel in sales and marketing department.

Administrative Expenses

Item	2022		2021		Increase (Decrease)	% Increase (Decrease)
	MB.	% of total revenue	MB.	% of total revenue		
Salaries, wages, overtime, bonuses, and employee benefits	65.7	1.6%	64.9	2.1%	0.8	1.3%
Consulting fees and service fees	13.2	0.3%	11.4	0.4%	1.8	15.6%
Depreciation and amortization	3.7	0.1%	2.7	0.1%	1.0	36.7%
Utilities and equipment repair and transportation expenses	4.3	0.1%	3.4	0.1%	0.9	25.2%
Other administrative expenses	14.6	0.4%	10.9	0.4%	3.7	33.9%
Administrative Expenses	101.4	2.5%	93.2	3.1%	8.1	8.7%

Administrative expenses in 2022 were increased from the same period of the previous year mainly due to loss on exchange rate, increasing in electricity fee and consulting fees and service fees.

Finance Costs

Item	2022	2021	Increase (Decrease)	% Increase (Decrease)
	MB.	MB.		
Finance costs	10.3	16.8	(6.5)	(38.8%)

In 2022, finance costs had decreased when compare with the same period of the previous year, caused by the repayment of borrowings from a financial institution and had paid borrowings from a financial institution from IPO fund by 350 THB million in May 2021 and decreasing in interest rate since mid of 2021.

Net profit and Net profit margin

Item	Unit	2022	2021	Increase (Decrease)	%Increase (Decrease)
Net profit	MB.	297.6	191.1	106.5	55.7%
Net profit margin (%)	%	7.4%	6.3%	1.1%	

In 2022, NSL had net profit of 297.6 THB million, accounted for net profit margin of 7.4% higher than the previous year. It resulted from increasing in revenue from recovery of COVID-19 situation in this period while in Q321, COVID-19 pandemic situation was the most severe in Thailand so sales dramatically decreased in Q321 and although raw material cost and fuel cost increased, however, NSL has adjusted price of some products thus they are partially offsetting the increase in raw material costs.

Financial Position

Item	31-Dec-22	31-Dec-21	Increase (Decrease)	% Increase (Decrease)
	MB.	MB.		
Total Assets	2,289.7	2,110.9	178.8	8.5%
Total Liabilities	883.6	858.9	24.7	2.9%
Total Shareholders' Equity	1,406.1	1,252.0	154.1	12.3%

Assets

Item	31-Dec-22	31-Dec-21	Increase (Decrease)	%Increase (Decrease)	% Proportion per total assets 31-Dec-22
	MB.	MB.			
Cash and cash equivalents	115.1	459.3	(344.2)	(74.9%)	5.0%
Trade and other current receivables	595.4	496.3	99.1	20.0%	26.0%
Inventories	267.1	188.8	78.3	41.4%	11.7%

Item	31-Dec-22	31-Dec-21	Increase (Decrease)	%Increase (Decrease)	% Proportion per total assets 31-Dec-22
	MB.	MB.			
Property, plant and equipment and Right-of-use assets	969.7	925.8	43.9	4.7%	42.4%
Other assets	342.3	40.7	301.6	742.0%	14.9%
Total Assets	2,289.7	2,110.9	178.8	8.5%	100.0%

NSL's total assets in 2022 increased from the previous year, mainly due to the increase of Trade and other current receivables and inventories based on sales growth and investing in machinery and equipment. Moreover, other assets increase, and Cash and cash equivalents decrease from investing in fixed deposit and mutual fund by 300 THB million.

Liabilities

Item	31-Dec-22	31-Dec-21	Increase (Decrease)	%Increase (Decrease)	% Proportion per total assets 31-Dec-22
	MB.	MB.			
Trade and other current payables	559.5	453.2	106.2	23.4%	24.4%
Long-term borrowings from a financial institution	234.3	316.7	(82.4)	(26.0%)	10.2%
Lease liabilities	12.7	10.2	2.5	24.4%	0.6%
Other liabilities	77.1	78.7	(1.6)	(2.0%)	3.4%
Total Liabilities	883.6	858.9	24.7	2.9%	38.6%

NSL's total liabilities in 2022 was increased from the previous year mainly caused by trade and other current payables increased by 106.2 THB million based on purchasing increase. However, borrowings from a financial institution decreased due to the repayment of the borrowings and decreasing of income tax payable from income tax payable last year and mid-year tax was paid in this year.

Shareholder's Equity

Item	31-Dec-22	31-Dec-21	Increase (Decrease)	%Increase (Decrease)	% Proportion per total assets 31-Dec-22
	MB.	MB.			
Issued and paid-up share capital	300.0	300.0	0.0	0.0%	13.1%
Premium on ordinary shares	797.4	797.4	0.0	0.0%	34.8%
Retained earnings - Legal reserve	30.0	30.0	0.0	0.0%	1.3%
Retained earnings - Unappropriated	278.7	124.6	154.1	123.6%	12.2%
Total Shareholders' Equity	1,406.1	1,252.0	154.1	12.3%	61.4%

Shareholders' equity in 2022 was 1,406.1 THB million, increased by 154.1 THB million or accounted for 12.3%. It resulted from the increase of retained earnings from net profit during the period by 297.6 THB million and other comprehensive income by 6.5 THB million. There was dividend payment in 2022 by 150 THB million.

Key Financial Ratios

Financial Ratio	Unit	For the fiscal year ended		
		31-Dec-22	31-Dec-21	Increase (Decrease)
Current ratio	times	1.7	1.8	(0.1)
Quick ratio	times	0.9	1.5	(0.6)
Return on Assets (ROA)	%	13.5%	10.4%	3.1%
Return on Equity (ROE)	%	22.4%	22.4%	0.0%
Debt to Equity ratio (D/E Ratio)	times	0.6	0.7	(0.1)
Bank Debt to EBITDA ratio (Bank Debt / EBITDA)	times	0.5	0.9	(0.4)
Debt Service Coverage ratio (Cash Basis)	times	0.5	0.3	0.2

Current ratio and Quick ratio

At the end of 2022, the current ratio and the quick ratio decreased comparing with the previous year from investing in fixed deposit and mutual fund.

Return on Assets (ROA)

At the end of 2022, return on assets increased to 13.5%, mainly due to the increase of net profit.

Return on Equity (ROE)

Return on equity at the end of 2022 were relatively stable when compare with the previous year.

Debt-to-Equity ratio (D/E ratio) and Bank debt to EBITDA ratio (Bank Debt / EBITDA)

At the end of 2022, debt-to-equity ratio (D/E ratio) and bank debt to EBITDA ratio (Bank Debt / EBITDA) decreased comparing with the previous year from the repayment of the borrowings.

Debt service coverage ratio

The debt service coverage ratios in 2022 was 0.5 times which were lower than 1.0 time. It resulted from the repayment of loan from a financial institution from IPO fund and normal repayment, dividend payment and investing in temporary investments. However, NSL has never defaulted on repayment of loans and interests. In addition, NSL has cash and cash equivalents and undrawn reserve limit to support financial liquidity in 9M22, which are bank overdrafts (OD) of 30 THB million, short term loan (PN) of 210 THB million and import credit facility (LC/TR) of 91.21 THB million.

Financial Highlights

Statement of Financial Position

Account (Unit: Million Baht)	Audited FS					
	31 Dec 2020		31 Dec 2021		31 Dec 2022	
	Amount	%	Amount	%	Amount	%
ASSETS						
<u>CURRENT ASSETS</u>						
Cash and cash equivalents	9.9	0.6%	459.3	21.8%	115.1	5.0%
Trade and other current receivables	413.4	26.3%	496.3	23.5%	595.4	26.0%
Inventories	141.8	9.0%	188.8	8.9%	267.1	11.7%
Other current financial assets - temporary investments	-	-	0.0	0.0%	301.0	13.1%
Derivative assets	-	-	0.2	0.0%	-	0.0%
Other current assets	1.4	0.1%	2.3	0.1%	2.7	0.1%
Total Current Assets	566.6	36.0%	1,146.9	54.3%	1,281.4	56.0%
<u>NON-CURRENT ASSETS</u>						
Property, plant and equipment	972.5	61.8%	914.4	43.3%	954.4	41.7%
Right-of-use assets	10.5	0.7%	11.4	0.5%	15.2	0.7%
Intangible assets	7.3	0.5%	7.1	0.3%	6.1	0.3%
Deferred tax assets	10.5	0.7%	10.7	0.5%	8.1	0.4%
Other non-current assets	7.2	0.5%	20.4	1.0%	24.3	1.1%
Total Non-current Assets	1,008.0	64.0%	964.0	45.7%	1,008.2	44.0%
TOTAL ASSETS	1,574.6	100.0%	2,110.9	100.0%	2,289.7	100.0%

Account (Unit: Million Baht)	Audited FS					
	31 Dec 2020		31 Dec 2021		31 Dec 2022	
	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
<u>CURRENT LIABILITIES</u>						
Bank overdrafts and short-term borrowings from a financial institution	224.0	14.2%	38.7	1.8%	58.8	2.6%
Trade and other current payables	404.2	25.7%	453.2	21.5%	559.5	24.4%
Current portion of long-term borrowings from a financial institution	105.2	6.7%	102.8	4.9%	103.3	4.5%
Current portion of lease liabilities	3.9	0.2%	4.6	0.2%	5.3	0.2%
Current income tax payable	23.8	1.5%	20.7	1.0%	34.2	1.5%
Derivative liabilities	0.7	0.0%	0.2	0.0%	3.8	0.2%
Other current liabilities	30.2	1.9%	7.9	0.4%	8.5	0.4%
Total Current Liabilities	792.1	50.3%	628.2	29.8%	773.6	33.8%
<u>NON-CURRENT LIABILITIES</u>						
Long-term borrowings from a financial institution	280.0	17.8%	175.3	8.3%	72.2	3.2%
Lease liabilities	6.0	0.4%	5.6	0.3%	7.4	0.3%
Non-current provisions for employee benefit	41.7	2.6%	49.8	2.4%	30.5	1.3%
Total Non-current Liabilities	327.7	20.8%	230.7	10.9%	110.0	4.8%
TOTAL LIABILITIES	1,119.8	71.1%	858.9	40.7%	883.6	38.6%
SHAREHOLDERS' EQUITY						
Issued and paid-up share capital	225.0	14.3%	300.0	14.2%	300.0	13.1%
PREMIUM ON ORDINARY SHARES	-	-	797.4	37.8%	797.4	34.8%
RETAINED EARNINGS						
Legal reserve	30.0	1.9%	30.0	1.4%	30.0	1.3%
Unappropriated	199.8	12.7%	124.6	5.9%	278.7	12.2%
TOTAL SHAREHOLDERS' EQUITY	454.8	28.9%	1,252.0	59.3%	1,406.1	61.4%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,574.6	100.0%	2,110.9	100.0%	2,289.7	100.0%

Statements of Comprehensive Income

Account (Unit: Million Baht)	Audited FS					
	2020		2021		2022	
	Amount	%	Amount	%	Amount	%
REVENUES						
Revenue from sales	2,923.2	99.8%	3,038.3	99.8%	4,001.5	99.8%
Other income	4.4	0.2%	4.6	0.2%	8.3	0.2%
Total Revenues	2,927.6	100.0%	3,042.9	100.0%	4,009.8	100.0%
EXPENSES						
Cost of sales	(2,448.3)	83.6%	(2,496.7)	82.0%	(3,259.3)	81.3%
Distribution costs	(175.4)	6.0%	(203.8)	6.7%	(267.1)	6.7%
Administrative expenses	(88.9)	3.0%	(93.2)	3.1%	(101.4)	2.5%
Total Expenses	(2,712.5)	92.7%	(2,793.7)	91.8%	(3,627.9)	90.5%
PROFIT FROM OPERATING ACTIVITIES	215.1	7.3%	249.2	8.2%	381.9	9.5%
Finance costs	(24.3)	0.8%	(16.8)	0.6%	(10.3)	0.3%
PROFIT BEFORE INCOME TAX	190.8	6.5%	232.4	7.6%	371.6	9.3%
Income tax expenses	(39.4)	1.3%	(41.3)	1.4%	(74.0)	1.8%
PROFIT FOR THE YEAR	151.4	5.2%	191.1	6.3%	297.6	7.4%
Item that will not be reclassified subsequently to profit or loss						
Remeasurements of retirement benefit obligations	-	-	-	-	8.1	0.2%
Income tax relating to remeasurements of retirement benefit obligations	-	-	-	-	(1.6)	0.0%
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	151.4	5.2%	191.1	6.3%	304.1	7.6%
Basic earnings per share (Baht) (Par 1 Baht)	0.7		0.7		0.99	

Statement of Cash Flows

Account (Unit: Million Baht)	Audited FS		
	2020	2021	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	190.8	232.4	371.6
Adjustments for			
- Depreciation	100.0	90.9	95.3
- Amortization of rights-of-use assets	4.2	4.6	5.7
- Amortization of intangible assets	1.0	1.1	1.2
- Write-off of goodwill	0.8	-	-
- Loss on write-off of fixed assets	0.0	0.0	0.0
- Gain on disposal of fixed assets	(0.1)	(0.7)	(0.0)
- Non-current provisions for employee benefit expense	8.3	8.7	4.8
- Impairment loss recognized in profit or loss	0.1	0.0	0.8
- Loss on declining in value of inventories (reverse)	4.6	(4.8)	2.5
- Unrealized loss (gain) on exchange rate	(0.7)	0.8	(4.0)
- Unrealized loss (gain) on derivative	0.7	(0.7)	3.8
- Gain on revaluation of other current financial assets	-	-	(1.0)
- Interest income	(0.0)	(0.3)	(0.6)
- Finance cost	24.3	16.8	10.3
Profit from operation before changes in operating assets and liabilities	334.2	348.8	490.3
Operating assets and liabilities (increase) decrease			
- Trade and other current receivables	24.3	(82.9)	(99.6)
- Inventories	(34.1)	(42.2)	(80.8)
- Other current assets	2.6	(0.9)	(0.4)
- Other non-current assets	(0.1)	(0.5)	0.0
- Trade and other current payables	(24.1)	36.6	112.1
- Other current liabilities	16.0	(22.3)	0.6
- Cash paid for employee benefit	-	(0.5)	(16.1)
Cash received from operation	318.8	236.1	406.2
Cash received from deposit interest	0.0	0.3	0.3
Cash paid for income tax expenses	(42.0)	(44.7)	(59.6)
Net cash provided by operating activities	276.8	191.8	346.9

Account (Unit: Million Baht)	Audited FS		
	2020	2021	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for other current financial assets - temporary investments	-	(0.0)	(300.0)
Cash paid for purchases of fixed assets	(33.5)	(32.7)	(144.7)
Proceeds from sales of fixed assets	0.1	0.9	0.0
Cash paid for purchases of intangible assets	(1.4)	(0.8)	(0.4)
Net cash used in investing activities	(34.8)	(32.6)	(445.1)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from short-term borrowing from a financial institution	124.7	-	23.9
Cash repaid for short-term borrowing from a financial institution	-	(186.2)	-
Cash repaid for short-term borrowings from a director	(67.6)	-	-
Cash repaid for long-term borrowings from a financial institution	(101.4)	(106.6)	(101.8)
Cash repaid for lease liabilities	(4.8)	(6.3)	(7.6)
Interest paid	(30.6)	(17.0)	(10.5)
Cash received from increase in share capital - net	55.0	872.4	-
Dividends paid	(225.0)	(266.2)	(150.0)
Net cash provided by (used in) financing activities	(249.7)	290.2	(246.0)
Net increase (decrease) in cash and cash equivalents	(7.7)	449.4	(344.2)
Cash and cash equivalents as at January 1,	17.6	9.9	459.3
Cash and cash equivalents as at December 31,	9.9	459.3	115.1

Financial ratios highlights

Financial ratios	Unit	Audited FS		
		2020	2021	2022
LIQUIDITY RATIO				
Current ratio	times	0.7	1.8	1.7
Quick ratio	times	0.5	1.5	0.9
Operating Cash Flow to Current Liabilities	times	0.4	0.3	0.5
Account receivable turnover	times	6.9	6.8	7.5
Average collection period	days	51.9	53.1	47.9
Inventory turnover	times	19.3	15.1	14.3
Average sale (inventory) period	days	18.7	23.8	25.2
Account payable turnover	times	7.0	7.1	7.9
Average payment period	days	51.7	50.5	45.3
Cash cycle	days	18.9	26.5	27.8
PROFITABILITY RATIO				
Gross profit margin	%	16.2%	17.8%	18.5%
Operating profit margin ¹	%	7.2%	8.0%	9.3%
Other profit margin ²	%	0.1%	0.2%	0.2%
Operating cash flow to profitability	%	128.7%	77.0%	90.8%
Net profit margin	%	5.2%	6.3%	7.4%
Return on equity	%	32.6%	22.4%	22.4%
EFFICIENCY RATIO				
Return on assets	%	13.7%	13.5%	17.4%
Return on fixed assets	%	25.3%	30.0%	42.1%
Asset turnover	times	1.8	1.7	1.8
FINANCIAL POLICY RATIO				
Debt to equity	times	2.5	0.7	0.6
Bank debt to EBITDA (Bank Debt / EBITDA) ³	times	1.9	0.9	0.5
Interest Coverage	times	14.1	15.1	40.5
Commitment coverage (Cash Basis)	times	0.6	0.3	0.5
Dividend payout	%	148.6%	139.3%	50.4%

¹ Operating profit was calculated from gross profit (not included other income) deducted by distribution costs and administrative expenses.

² Calculated from other income divided by total revenues

³ Loan agreement from a financial institution required maintaining this financial ratio (Financial Covenants) not over 5:1 time for the financial statement FY2018 onwards which was calculated from borrowings from a financial institution divided by profit before depreciation, amortization, finance costs and income tax expenses.

General Information and Other Significant Information

Name	:	NSL Foods Public Company Limited
Ticker Symbol	:	NSL
Business Overview	:	Manufactures and distributes food, and imports and distributes meat products and frozen vegetables.
Registration Number	:	0107563000088
Head Office	:	55/22 M.3 Bang Bua Thong - Nonthaburi Bridge Road (345), Lam Pho Sub-District, Bang Bua Thong District, Nonthaburi 11110
Branch	:	Branch 1 : Amata City Industrial Estate 700/707 M.1 Phan Thong Sub-District, Phan Thong District, Chonburi 20160 Branch 2 : Amata City Industrial Estate 700/836 M.6 Nong Tamlueng Sub-District, Phan Thong District, Chonburi 20160 Branch 3 : 29/52 M.2 Bang Bua Thong - Nonthaburi Bridge Road (345), Lam Pho Sub-District, Bang Bua Thong District, Nonthaburi 11110 Branch 4 : 55/11 M.3 Bang Bua Thong - Nonthaburi Bridge Road (345), Lam Pho Sub-District, Bang Bua Thong District, Nonthaburi 11110
Telephone	:	+66(0)2 525 8537 +66(0)2 525 8520 - 22 +66(0)2 149 9436 - 39
Fax	:	+66 (0) 2525 8538
Corporate Website	:	http://nslfoods.com/
Registered Capital	:	300,000,000 Baht
Issued and Paid-up Capital	:	300,000,000 Baht comprising ordinary shares of 300,000,000 shares at par value of 1.0 Baht per share
Preferred Share	:	None
First Trade Date	:	19 May 2021
Company Secretary	:	Telephone : +66 (0) 2525 8520-1 Ext. 1010 E-mail : jariya.mu@nslfoods.com

Other Reference

- Registrar** : Thailand Securities Depository Company Limited
Stock Exchange of Thailand Building
93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400
Telephone : +66 (0) 2009 9999
Fax : +66 (0) 2009 9991
- Auditor** : Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
Mr. Mongkol Somphol Certified Public Accountant ID 8444
AIA Sathorn Tower, 23rd - 27th Floor
11/1 South Sathorn Road Yannawa, Sathorn, Bangkok 10120
Telephone : +66 (0) 2034 0000
Fax : +66 (0) 2034 0100
- Legal Advisor** : Kudun and Partners Company Limited
23rd Floor, Units C And F, Gaysorn Tower
127 Ratchadamri Road, Lumpini Pathumwan, Bangkok 10330
Telephone : +66 (0) 2838 1750
Fax : +66 (0) 2838 1795



Legal Disputes

As of 31 December 2022, NSL has no ongoing legal disputes that may impact NSL's assets of more than 5% of total equity.

Additionally, in 2022, NSL has no legal disputes that have negative impact on NSL's business operation.



Part 2

Corporate Governance



Corporate Governance Policy

NSL has closely followed the relevant law, company objectives, regulations, NSL shareholders' meeting resolutions as well as the corporate governance policy practice of the registered companies. Moreover, NSL has ensured that the Company has a corporate governance policy, good management policy, as well as the regulations and practices as specified by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. These policies and practices serve as a framework for business operation, which is reviewed and evaluated every year to ensure they remain appropriate and coherent with the current situations. The implementation of these policies and practices are also prioritized among all shareholders to ensure fairness, corporate justice, transparency and accountability.

The Board of Directors also set up a sub-committee to handle the evaluation, internal control, risk management and corporate governance compliance of NSL, along with promoting corporate transparency and justice among executives. Thus, all stakeholders could rest assured that the Company closely follows the corporate governance policy and practices to ensure the Company's sustainable growth going forward. The Board of Directors' Meeting no. 1/2022 on 25 February 2022 approved the Good Corporate Governance Code, that encompasses all 8 Corporate Governance Practices, as follows; (The details appear on the Company's website: <https://investor.nslfoods.com/en/corporate-governance/corporate-governance-policy>).

- Practice 1 Role and Responsibilities of the Board**
- Practice 2 Company's Objectives and Goals**
- Practice 3 Promotion of the Board's Efficiency**
- Practice 4 Selection and Development of Executives and Human Resource Management**
- Practice 5 Innovation Promotion and Responsible Business Operation**
- Practice 6 Fostering Suitable Risk Management and Internal Control Systems**
- Practice 7 Financial Confidence Preservation and Disclosure of Information**
- Practice 8 Shareholders' Communication and Participation Promotion**

Committees

The Company Board's structure consists of the Board of Directors, Audit Committee and Executive Committee.

Board of Directors

The NSL Directors are highly qualified persons that take major parts in the overall decision-making, Company's policy setting, management, review and evaluation of all NSL's undertakings to make sure that its operation lives up to the pre-existing independently specified work plan. As of 31 December 2022, the Board of Directors consists of 8 directors. All NSL committees must have pre-set compositions, roles, responsibilities as well as the terms and conditions concerning directorial elections and tenure as the details appear on the Company's website: <https://investor.nslfoods.com/en/corporate-governance/corporate-governance-policy> "Board of Directors Charter".

Audit Committee

As of 31 December 2022, the Audit Committee of NSL consists of 3 independent directors. The Audit Committee must have pre-set compositions, roles, responsibilities as well as the terms and conditions concerning appointments and tenure as the details appear on the Company's website: <https://investor.nslfoods.com/en/corporate-governance/corporate-governance-policy> "Audit Committee Charter".

Executive Committee

As of 31 December 2022, the Executive Committee consists of 10 executive directors. All NSL committees realize the importance of NSL management. To this end, the Executive Committee is considered and appointed to comprise clear policies on the compositions, roles, responsibilities as well as the terms and conditions concerning the tenure of the Executive Committee members as the details appear on the Company's website: <https://investor.nslfoods.com/en/corporate-governance/corporate-governance-policy> "Executive Committee Charter".

Executives

As of 31 December 2022, the Executive consists of 6 executives, as follows;

Name	Position
1. Mr. Somchai Asavapiyanond	President
2. Mr. Weerachon Khaophong	Executive Vice President
3. Mr. Charoen Asavapiyanond	VP Operations
4. Mr. Arkradej Liamcharoen	VP Accounting and Finance
5. Ms. Waewdao Tanavatsatiend	VP Commercial - Export and Food Services
6. Mr. Visut Pornsalanu wattana	VP Commercial - Brand & Business Development

President

The Board of Directors is responsible for the appointment of the President to fulfil the role of NSL overall management; the position of President also has pre-set roles and responsibilities as the details appear on the Company's website: <https://investor.nslfoods.com/en/corporate-governance/corporate-governance-policy> "President Charter".

Company secretary

The Board of Directors realize the importance of the position of Company Secretary. To this end, Company Secretary is appointed to fulfil the roles of supporting the work of the Board of Directors in order to ensure that the Board and NSL are able to operate within the legal framework and in accordance with the good corporate governance policy and practice, as specified by the Stock Exchange of Thailand. Thus, the position of Company Secretary also has pre-set roles and responsibilities as the details appear on the Company's website: <https://investor.nslfoods.com/en/corporate-governance/corporate-governance-policy> "Company Secretary Charter".

The Selection and Appointment of Board Directors and High-Level Executives

The Committee shall consider and specify the practices and guidelines concerning the selection of Directors, sub-committee, President and High-Level Executives based on their qualifications such as the required knowledge, skills and experience that fit the NSL's mode of business. The selection process for the position of President is handled by the Board of Directors, and in turn, the President is responsible for the selection of High-Level Executives.

The Board of Directors shall organize a meeting to consider the rules and process concerning the selection of Directors who have the required qualifications to ensure that the Board comprises of persons with sufficient expertise and knowledge with regards to accountancy, finance and business in various aspects. These persons must be able to protect the interest of the shareholders, have the characteristics as specified in the regulations as stipulated by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. Additionally, these persons must not be of the characteristics as prohibited by the Public Limited Companies Act B.E. 2535 (1992), and the Securities and Exchange Act B.E. 2535 (1992). To this end, the profile of the said persons has to be screened before submitting for the Shareholders' Meeting's appointments. Before the meeting, NSL shall ensure that the shareholders possess sufficient information regarding the persons in question.

Investments in Subsidiaries and Associated Companies

NSL shall invest in other businesses that are relevant, similar or deemed beneficial and supportive of the NSL's business operations. These investments will serve to foster the Company's security and operation, with the Company constantly analyzing the possibilities of investment projects, investment risk assessment, revenue and liquidity of NSL's finance. The Board of Directors and Shareholders' Meeting have to consider and approve the proposed investments in accordance with the pre-existing practices and the regulations as specified by the Capital Market Supervisory Board and the Stock Exchange of Thailand, as well as other relevant laws.

Policies Concerning the Management and Administration of Subsidiaries and Associated Companies

NSL has specified the policies concerning the management and administration of subsidiaries and associated companies with the objective to allow the NSL to specify the measures and mechanisms used in following the progress of the said subsidiaries and associated companies, as well as in ensuring that all policies are followed. This is to ensure compliance with the NSL's policies, the laws concerning public limited companies, securities and exchange, the Civil and Commercial Law and other related acts. These also include the regulations and announcements made by the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand as the details appear on the Company's website: <https://investor.nslfoods.com/en/corporate-governance/corporate-governance-policy> "Policies Concerning the Management and Administration of Subsidiaries and Associated Companies".

Policies Concerning the Usage of Company Information and Asset Acquisitions of NSL Directors, Executives and Personnel

NSL's policies prohibit its Directors, Executives and persons with inside knowledge that may concern stock price from buying, selling, offering to buy or sell, and asking others to buy or sell on their behalf the listed stocks of NSL, both directly and indirectly. All of the said activities must be conducted no less than 30 days before the public disclosure of the Company's financial data, and after the disclosure, the said personnel should wait for at least 24 hours before partaking in any of the said activities.

NSL also specifies that the Directors, Executives, and Auditors must compile, disclose and submit the report concerning the ownerships of NSL stocks and every change in stock ownerships to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand within the specified timeframe. NSL also specifies that the Company Secretary must compile a summary on the stock ownerships and the changes in stock ownerships to present to the Board of Directors for their acknowledgement every 6 months.

Auditor's remuneration

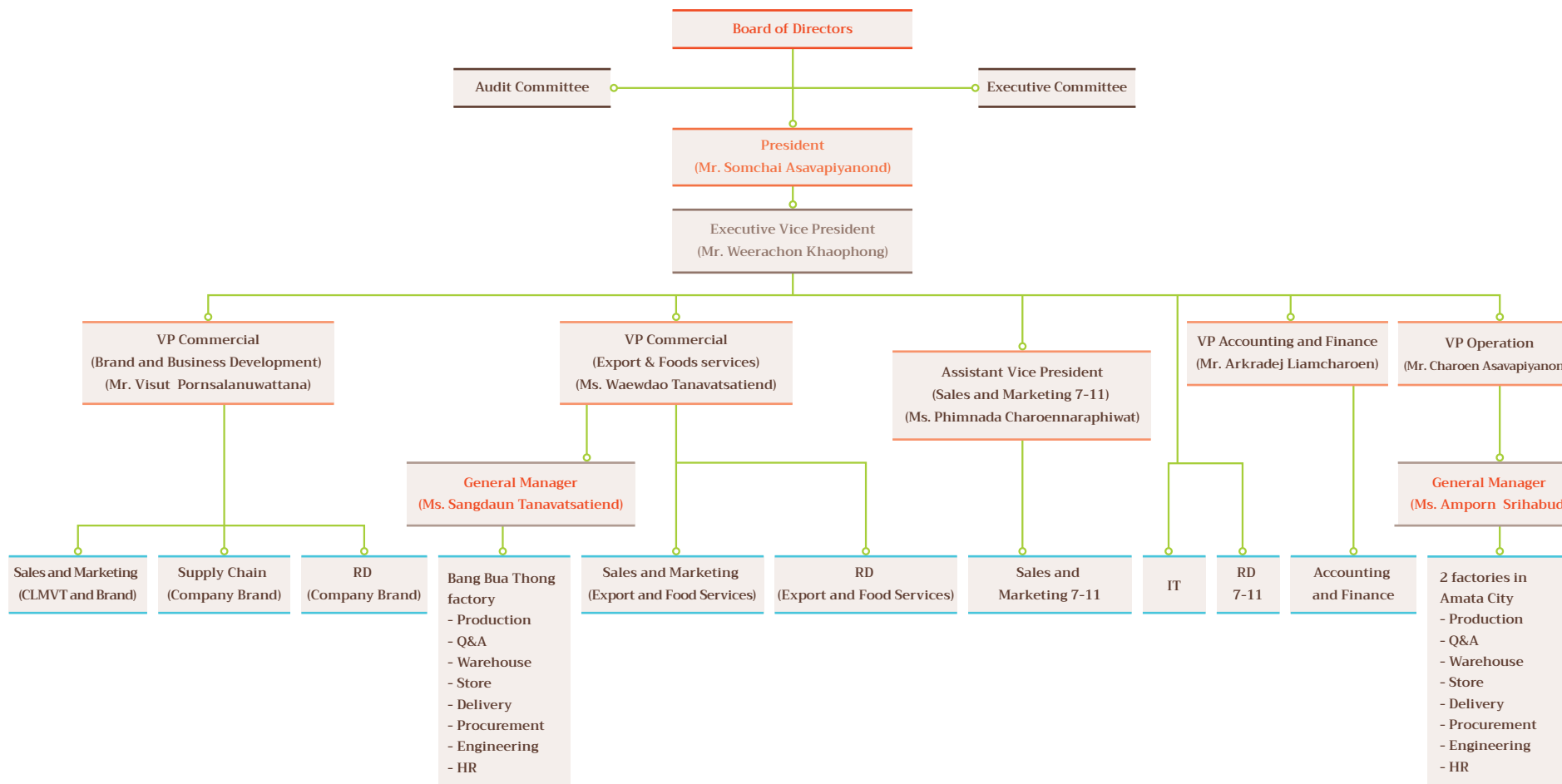
In 2021 and 2022, NSL had audit fee payment to Deloitte Touche Tohmatsu Jaiyos Co., Ltd. as follows:

Unit: Baht

Description	2021	2022
Audit fee	2,750,000	2,000,000
Other service (Non-audit fee)	25,000	25,000
Total	2,775,000	2,025,000

Organization Chart

As of 31 December 2022, the Organization Chart of NSL is as follows;



*The 2 factories in Amata City are;

1. Factory Branch 1 (700/707 M.1 Phan Thong Sub-District, Phan Thong District, Chonburi)
2. Factory Branch 2 (700/836 M.6 Nong Tamlueng Sub-District, Phan Thong District, Chonburi)

NSL appointed Unique Advisor Co., Ltd. as an internal audit.

The Board of Directors

As of 31 December 2022, the Board of Directors consists of 4 independent directors and 4 executive directors. The 8 Directors are distinguished individuals as stipulated in the Section 68 of the Public Limited Companies Act, B.E. 2535 (1992), as well as all subsequent adjustments.

The names of the 8 Directors are as follows;

Name and Surname	Position
1. Mrs. Suvimol Chrityakierne	Chairman of the Board / Independent Director
2. Mrs. Pannipa Rodwanna	Independent Director / Chairman of the Audit Committee
3. Mr. Chaiwut Jumnongsutasathien	Independent Director / Audit Committee
4. Mr. Anajak Limphaisan	Independent Director / Audit Committee
5. Mr. Somchai Asavapiyanond	Director / President
6. Mr. Charoen Asavapiyanond	Director / VP Operation
7. Mr. Weerachon Khaophong	Director / Executive Vice President
8. Mr. Arkradej Liamcharoen	Director / VP Accounting and Finance

Mrs. Jariya Musigchai was appointed the Company Secretary during the Board of Directors' Meeting no.1/2020 on 29 February 2020.

Directors who are authorized to sign documents on behalf of the Company

Directors who are authorized to sign documents on behalf of the Company consist of 3 Directors, namely Mr. Somchai Asavapiyanond, Mr. Charoen Asavapiyanond and Mr. Weerachon Khaophong. Two in three of the said Directors could sign and seal the documents on behalf of the Company.

Board of Directors' Meeting

The details of the Board of Directors' Meetings in 2021 and 2022 are as follows;

Name and Surname	Number of Meetings Attended	
	2021	2022
1. Mrs. Suvimol Chrityakierne	5/5	6/6
2. Mrs. Pannipa Rodwanna	5/5	6/6
3. Mr. Chaiwut Jumnongsutasathien	5/5	6/6
4. Mr. Anajak Limphaisan	5/5	6/6
5. Mr. Somchai Asavapiyanond	5/5	6/6
6. Mr. Charoen Asavapiyanond	5/5	6/6
7. Mr. Weerachon Khaophong	5/5	6/6
8. Mr. Arkradej Liamcharoen	5/5	6/6

Disclaimers: All Directors, except Mr. Somchai, were appointed during the Extraordinary Shareholders' Meeting no. 3/2019 on 21 October 2019.

Audit Committee

As of 31 December 2022, the Audit Committee of NSL consists of 3 independent directors, as follows;

Name and Surname	Position
1. Mrs. Pannipa Rodwanna	Chairman of the Audit Committee
2. Mr. Chaiwut Jumnongsutasathien	Audit Committee
3. Mr. Anajak Limphaisan	Audit Committee

Mrs. Pannipa Rodwanna and Mr. Chaiwut Jumnongsutasathien are members of the Audit Committee, who are highly qualified in the areas of accounting and finance and well-equipped to audit the validity of financial budgets. Mrs. Jariya Musigchai is the Secretary of the Audit Committee, appointed during the 1/2563 (2019) Audit Committee Meeting on 29 February 2019.

The details of the Audit Committee Meetings in 2021 and 2022 are as follows;

Name and Surname	Number of Meetings Attended	
	2021	2022
1. Mrs. Pannipa Rodwanna	4/4	5/5
2. Mr. Chaiwut Jumnongsutasathien	4/4	5/5
3. Mr. Anajak Limphaisan	4/4	5/5

Disclaimers: The Audit Committee was appointed during the Extraordinary Shareholders' Meeting no. 3/2019 on 21 October 2019.

The Executive Committee

As of 31 December 2022, the Executive Committee consists of 10 executive directors, as follows;

Name and Surname	Position
1. Mr. Somchai Asavapiyanond	Chairman of the Executive Committee
2. Mr. Charoen Asavapiyanond	Executive Director
3. Mr. Weerachon Khaophong	Executive Director
4. Mr. Arkradej Liamcharoen	Executive Director
5. Ms. Waewdao Tanavatsatiend	Executive Director
6. Ms. Phimmada Charoennaraphiwat	Executive Director
7. Ms. Sangdaun Tanavatsatiend	Executive Director
8. Ms. Amporn Srihabud	Executive Director
9. Ms. Nootchanart Riphim	Executive Director
10. Mr. Visut Pornsalanu wattana	Executive Director

Disclaimers: The Executive Committee was appointed during the Board of Directors' Meeting no.1/2020 on 29 February 2020. The Board of Directors' Meeting no.1/2021 on 23 February 2021 appointed Mr. Visut Pornsalanu wattana as an executive director.

Mrs. Maliwan Theeratuntikiat was appointed as the Secretary of the Executive Committee during the Board of Directors' Meeting no. 1/2020 on 29 February 2020.

Executives

As of 31 December 2022, NSL has 6 executives, as follows;

Name and Surname	Position
1. Mr. Somchai Asavapiyanond	President
2. Mr. Weerachon Khaophong	Executive Vice President
3. Mr. Charoen Asavapiyanond	VP Operations
4. Mr. Arkradej Liamcharoen	VP Accounting and Finance
5. Ms. Waewdao Tanavatsatiend	VP Commercial - Export and Food Services
6. Mr. Visut Pornsalanu wattana	VP Commercial - Brand & Business Development

Company Secretary

In accordance with the good practices on company administration, the Board of Directors' Meeting no.1/2020 on 29 February 2020 appointed Mrs. Jariya Musigchai as the Company Secretary, with the portfolio to assist the activities concerning the Board of Directors in ensuring that the Company's business administration is heading in the right direction, while transparent and efficient.

Persons responsible for accounting supervision

Mrs. Jariya Musigchai has served as the Manager of the Accounting and Finance Department and the Chief Accountant of NSL since 2 January 2018. The NSL's Chief Accountant is fully qualified according to the criteria set by the Securities and Exchange Commission: being a graduate of BA in Accounting from Srinakharinwirot University and MBA from Rajamangala University of Technology Rattanakosin, and has at least 10 years of professional accounting experience.

Remunerations for Directors and Executives

NSL has established the yearly remuneration policy for Directors, paid every month, and the remuneration for Executives in the form of salary, bonus and other benefits such as travelling expense, telephone allowance and contributions to the provident fund, with clearly defined salary cap. The salary cap is determined and regularly adjusted by external comparison in order to remain competitive and relative to the position's responsibilities. This practice has been successful in driving the company forward. For other types of remunerations such as bonus, they will be determined in relation to the company's revenue and the evaluation of the individual's contributions to the company according to NSL's performance standards.

Monetary remunerations

Remunerations for Directors

The Shareholders' Meeting no.1/2022 on 22 April 2022 agreed the amount of remunerations for Directors and other Committee, as follows;

Yearly Remunerations

Position	2021 Salary in THB (Yearly)	2022 Salary in THB (Yearly)
Chairman of the Board	350,000	350,000
Director	250,000	250,000
Chairman of Audit Committee	350,000	350,000
Audit Committee	270,000	270,000

Disclaimers: If one individual is a member of more than one committee, he/she shall receive only the salary of the better-paid position, by quarterly payment.

Monetary remunerations for each Committee Member 2021 and 2022 are as follows;

Name and Surname	Salary (THB)			
	2021		2022	
	Executive Committee	Audit Committee	Executive Committee	Audit Committee
1. Mrs. Suvimol Chrityakierne	350,000.0	-	350,000.0	-
2. Mrs. Pannipa Rodwanna	-	350,000.0	-	350,000.0
3. Mr. Chaiwut Jumnongsutasathien	-	270,000.0	-	270,000.0
4. Mr. Anajak Limphaisan	-	270,000.0	-	270,000.0
5. Mr. Somchai Asavapiyanond	250,000.0	-	250,000.0	-
6. Mr. Charoen Asavapiyanond	250,000.0	-	250,000.0	-
7. Mr. Weerachon Khaophong	250,000.0	-	250,000.0	-
8. Mr. Arkradej Liamcharoen	250,000.0	-	250,000.0	-
Sub-Total	1,350,000.0	890,000.0	1,350,000.0	890,000.0
Total	2,240,000.0		2,240,000.0	

Remunerations for Executives

	2021	2022
Number of Executives (Persons)	6	6
Monetary Remunerations (THB)		
Salary and Bonus	20,900,750	22,200,000
Others ^{/1}	675,248	727,392
Total	21,575,998	22,927,392

Disclaimers: Executives include the positions of President, Executive Vice President, VP Commercial, VP Accounting and Finance and VP Operation.

^{/1} Other remunerations include fuel costs, insurance premiums, social security money and contributions to the provident fund.

Other Remunerations

-None-

Personnel

NSL's employee do not form unions which the number of staff by department are as follows;

Department	No. of staff			
	2021		2022	
	Daily	Monthly	Daily	Monthly
1. Management ¹	-	3	-	3
2. Production	981	90	1,303	110
3. Sales and Marketing - 7-11	-	15	-	16
4. Sales and Marketing - Brand and Food Services	-	30	2	41
5. R&D - 7-11	6	36	10	36
6. R&D - Brand and Food Services	5	10	6	19
7. Accounting and Finance	-	16	-	16
8. IT	-	6	-	6
9. HR	58	28	61	33
10. Delivery	43	23	62	23
11. Procurement	-	10	-	14
12. Q&A	24	113	31	148

Department	No. of staff			
	2021		2022	
	Daily	Monthly	Daily	Monthly
13. Warehouse	47	19	62	25
14. Store	11	22	29	27
15. Engineering	5	35	6	52
Total	1,180	456	1,572	569
Total daily and monthly	1,636		2,141	

The number of staff by gender are as follows;

	2021	2022
Male	759	995
Female	877	1,146
Total	1,636	2,141

Disclaimers: All employee work in 3 places such as factory and office in Nonthaburi, factory branch 1 and 2 in Chonburi

¹ Staffs in Management department are executives's secretary.

Remunerations for Employees

Remunerations for NSL employees include salary, bonus and others such as social security money, contributions to the provident fund, overtime (OT), travelling expenses, commissions and compensations, as follows;

	2021 (Million THB)	2022 (Million THB)
Remunerations for Employees	407.4	508.1

Long-term Benefits for Executives and Employees

Types of Remunerations	2021 (Million THB)	2022 (Million THB)
Post-retirement benefits and long-term benefits for executives and employees	8.7	4.8

Disclaimers: Benefits for long-serving executives and employees are remunerated in cash after the first 3 years, and in gold after every 5 years.

Major Labor Disputes in the Past 3 Years

-None-

Human Resource Development Policy

NSL intends to adjust the management structure of the Company to create a balanced number of employees at every level. This is done by engaging in capacity-building activities for employees, encouraging more administrative skills and promoting those who exhibit evidently high level of skills development. However, if an employee could not develop and get promoted, NSL has a plan to recruit others with appropriate skills and experience to continuously raise the overall performance of every division.

1. Human Resource Development

NSL is committed to the development of employees' skills and capabilities in order to encourage upward movements inside the company, and the enhancement of employees' job securities. This is conducted in steps, as follows;

1. Self-learn by studying the operation manuals or consulting their supervisors and colleagues
2. Learn more skills via Morning Talk, where supervisors share their techniques and practices, give professional advice and teach how to deal with obstacles on the job
3. Undergo tests to evaluate the level of understandings in the job at hand, where supervisors supervise the test and give advice on how to improve further
4. Skilled employees are encouraged to share their experience and knowhow to enhance other employees' capabilities during workshops and training courses.
5. Undergo trainings and workshops that NSL organized according to the lines of work and management levels.
6. Employees may seek approval from supervisors to undergo trainings and seminars organized by other agencies to build more capacities.

2. Succession Plan

NSL has a succession plan to smoothen the transition and replacements of individuals in executive positions for when those in the positions retire or become unable to fulfil their duties. The plan instructs the Board of Directors or other higher-level executives (depending on cases) to consider possible replacements and pass on professional knowledge to NSL employees who are deemed capable to assume the executive positions in cases of retirements or emergency, by considering the said employees' qualities, knowledge, skills and experience. This is to reduce the possible impacts on NSL business operations.

Steps

1. If a managerial position becomes available or those in the position cannot fulfil their duties, the President may consider possible replacements from the pool of capable individuals who have passed NSL's training courses or from outside persons.
2. If the President's position becomes available, or the person in position cannot fulfil his/her duties, the Board of Directors may consider possible replacements from persons who have passed NSL's training courses to assume the position or find suitable replacements from outside persons. The appointment must be made by vote during the Board of Directors' Meeting and decided by majority vote of Directors. If the vote results in a tie, the Chairman of the Board may cast the tiebreaker vote.

Audit Committee Report

Dear Shareholders,

The Audit Committee of NSL Foods Public Company Limited consists of 3 company directors who are independent directors and are qualified with professional experiences in the fields of Administration, Accounting, Finance and Law. The qualification of Audit Committee is in accordance with the criteria regulated in the Notification of SET Commission. The Audit Committee consists of;

1. Assoc. Prof. Dr. Pannipa Rodwanna Chairman of the Audit Committee
2. Mr. Chaiwut Jumnongsutasathien Audit Committee
3. Mr. Anajak Limphaisan Audit Committee

The Audit Committee independently performs their duties in accordance with the scope of the duties and responsibilities assigned by the Board of Directors, specified in writing in the Charter of the Audit Committee and in compliance with the requirements stipulated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee reviewed and pushed for NSL's compliance with corporate governance, sufficient risk management and internal control systems, efficient and effective internal audit, and a systematic structure business process as well as ensured NSL's emphasis being a transparent organization while upgrading quality of NSL's internal audit as to achieve goals and sustainable business operation.

In 2022, the Audit Committee held five (5) meetings which was discussed with the management, internal auditors and auditors which all the Audit Committee attended in every meeting.

The summary of the significant activities and the opinions of the Audit Committee have been summarized below.

Review of Financial Report

The Audit Committee reviewed the interim financial information, the financial statements jointly with the auditors and the management regarding the accuracy and completeness of the financial statements, adjustment of key journal entries and account estimations affecting the statements, adequacy and suitability of account recording, audit scope, information disclosure that was accurate, complete, and adequate, as well as the external auditor's independence. All these ensured that the preparation of the financial statements followed legal requirements and accounting standards under generally accepted accounting principles that are credible and timely, and that adequate information was disclosed in such statements for the benefit of financial statement users. In addition, the Audit Committee discussed exclusively with the external auditor about the audit plans, risk and internal control as well as independence to fulfill its responsibilities and its opinions. For the year 2022 the external auditors did not make any significant observations and did not find the suspicious circumstance. Then, the Audit Committee has the opinion that the Company has a proper financial reporting process to disclose its financial information without information that is in conflict with the material facts and prepared in accordance with Thai Financial Reporting Standards.

Review of Related Party Transactions or Conflict of Interest Transactions

The Audit Committee reviewed the related party transactions or conflicts-of-interest transactions of the Company in accordance with the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand. The review suggested that related party transactions of the Company were reasonable, in the best interest of the Company and did not preferentially benefit any particular parties.

Review of Risk Management

The Board of Directors and Management have given priority to Risk Management by assessing Internal and External risk factors together with their impacts and likelihood and regularly update its performance to the Board of Directors. The Audit Committee also follow up and acknowledge risk management outcomes from the reports and review the effectiveness of risk management practices based on the reports of individual management responsible and the audit result of internal audit and the external auditor. These actions led the guarantee of risk management capability to ward off or mitigate potential impacts within its risk tolerance levels.

Regulatory Compliance and Regulations

The Audit Committee reviewed the Company's business operation to ensure that it is in line with the securities and exchange law, regulation of the Stock Exchange of Thailand and laws relation to the business of the Company and acknowledge the changing of regulations which have an effect on the Company's business operation.

Oversight of Internal Auditing

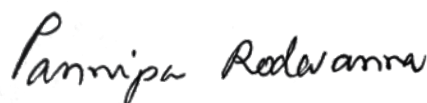
The Audit Committee also reviewed annual internal audit plans, their performances and audit engagement reports (Unique Advisor Co., Ltd.). The Audit Committee provided recommendations and monitored corrective actions for significant issues for good governance and adequate internal control.

Appointment of the External Auditors for the year 2022

The Audit Committee considered the nomination of auditors by taking into account their independence, skills, knowledge, capabilities and experiences including the rotation of the auditor in accordance with the relevant Notifications of the Capital Market Advisory Board. The Audit Committee recommended the appointment one of the following auditors, namely 1) Mr. Mongkol Somphol, CPA License No. 8444 or 2) Mr. Manoon Manusook, CPA Licence no. 4292 or 3) Mr. Choopong Surachutikarn, CPA Licence no. 4325 from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the approved auditor by the Securities and Exchange Commission for the Company's financial statements including the audit fee for the year 2022.

The Audit Committee performed their charter duties and responsibilities with competence, care, prudence and adequate freedom while providing creative views and recommendations for the equitable benefit of all stakeholders. Their opinions are that NSL's financial statements were accurate, credible and in line with generally accepted accounting standards. In addition, NSL commanded compliance with applicable laws and business obligations, together with good governance, adequate risk management and a suitable, effective internal audit system.

For and on behalf of the Audit Committee of
NSL Foods Public Company Limited



Assoc. Prof. Dr. Pannipa Rodwanra
Chairman of the Audit Committee

Internal Control and Internal Audit

NSL's Board of Directors gives great importance to the internal control system. To this end, the Board has established the internal control system to ensure that the company's finance, management and operation are effective, efficient and compliant with the law and relevant regulations. NSL has continuously developed the system according to the model as put forth by the Committee of Sponsoring Organization of Treadway Commission (COSO), utilizing this method in making NSL's internal control and risk management system more complete, and ensuring that NSL's operation is as effective and efficient as possible.

Moreover, the Board of Directors also evaluated whether the NSL's internal control system suffices the methods as described by the Securities and Exchange Commission (SEC). These methods comprise 5 components, namely the company's internal control system, risk management, operational control, information and communications system, and the monitoring system. The Meeting concluded that the NSL's internal control system is sufficient and properly implemented.

NSL also hired Unique Advisor Co., Ltd. ("Unique") to serve as the monitors and evaluators to determine whether the NSL's internal control system is sufficient in 2022, covering all important components of NSL's operation, as follows;

1. The revenue, revenue recognition and receipt of payment system
2. The production management and cost system
3. The procurement, expense and transaction system
4. The inventory management and delivery system
5. The account closure and budget planning system
6. The information technology general control system
7. The risk management and operation supervision system
8. PDPA Readiness

Emphasizing NSL's priority in having an effective internal control system, the Board of Directors has entrusted the Evaluation Committee with the tasks to assess and evaluate the company's internal control system, then compose a full report to present to the Board of Directors. This will assist in the administration of NSL, as well as in ensuring the internal control system functions and contributes to the enhancements of NSL's business operation, performance, resource usage, assets management, risk and damage control, and the reduction of potential mistakes. This will also ensure that NSL can produce a credible financial report, and operates according to the law and relevant regulations.

Related-Party Transactions

1. Persons with Possible Conflict of Interest and Relationships

Possible Related Persons	Relationships
1. Mr. Somchai Asavapiyanond (“Mr. Somchai”)	<ul style="list-style-type: none"> Positions as Directors, President and Major Shareholders of NSL, with a combined share of 71.67% (according to the data from TSD and SEC on 14 December 2022) Position as Director who is authorized to sign documents on behalf of the Company
2. Quality Food Specialty Co., Ltd. (“QFS”) <p>Business: Wholesaler of Fish, Seafood, Meat, Seaweed and Vegetables, both frozen and processed</p>	<ul style="list-style-type: none"> Person who is related to Ms. Waewdao and is an executive of NSL is Ms. Sangdaun (younger sister). She is a major shareholder of NSL, holding a total of 73.80% share and is a Director who is solely authorized to sign documents on behalf of the Company (according to the data from BOL on 16 July 2021) (Ms. Waewdao and Ms. Sangdaun (her younger sister) used to majority shareholders, holding 15% and 10% shares, respectively. Both are Directors who are authorized to sign documents on behalf of the Company. Their shareholding details have already been adjusted accordingly.) NSL agreed to acquire QFS on 1 August 2019, with QFS’ main personnel—Ms. Waewdao and Ms. Sangdaun—assuming the positions of VP Commercial (contract began on 1 May 2019) and General Manager for Foods Service (contract began on 1 August 2019), respectively. QFS also agreed not to conduct any businesses of similar characteristics nor compete with NSL.
3. Thungthong Prasobchock Co., Ltd. (“Thungthong Prasobchock”) <p>Business: Restaurants, Retailer of Frozen and Processed Seafood and Meat for sale in restaurants</p>	<ul style="list-style-type: none"> An NSL executive, Ms. Waewdao is majority shareholder, holding 7.69% of total share, while her related person, Ms. Sangdaun, is a majority shareholder, holding 76.92% of total share and is a Director with the power to sign on behalf of Thungthong Prasobchock (according to the data from BOL on 30 June 2021)
4. Ms. Waewdao Tanavatsatiend (“Ms. Waewdao”)	<ul style="list-style-type: none"> An NSL executive is also a VP Commercial – Export & Food Services.
5. Ms. Sangdaun Tanavatsatiend (“Ms. Sangdaun”)	<ul style="list-style-type: none"> Younger sister of Ms. Waewdao is an NSL employee in the position of General Manager for Food Services.

2. Related Party Transactions between NSL and Persons with Possible Conflicts of Interest

In 2021 and 2022, NSL recorded transactions with Persons with Possible Conflicts of Interest. However, the said transactions did not amount to conflict of interest, with details as follows;

Persons with Possible Conflicts of Interest	Transactions	2021	2022	Reasons and Necessity of Transactions
1. Thungthong Prasobchock Co., Ltd. ("Thungthong Prasobchock")	Revenue from sales Trade receivables at period end	3,550,122 400,051	4,073,828 465,986	<ul style="list-style-type: none"> Thungthong Prasobchock conducts restaurant business, namely the Food Identity restaurant, with its 3 branches being located in 1. Food Villa (Ratchaphruek Road) 2. In Caltex gas station (Ratchaphruek – Rattanathibet Road) and 3. Krung Thep Kritha Market Place, with NSL selling its meat and frozen vegetables (products acquired from QFS) to Thungthong Prasobchock. Price of goods is calculated on the basis of cost plus, comparable to the price rate for outside parties. <p><u>Opinions of the Audit Committee</u></p> <ul style="list-style-type: none"> The Audit Committee considers this transaction normal, necessary, reasonable and useful for business. The price, terms of payment and commerce are also normal and comparable to those offered to other parties.

3. Guarantees, Mortgages and Pledges

Guarantor	Recipient of Loans	Type of Credit / Securities	Credit limit (Million Baht)	Used as at 31 Dec 21 (Million Baht)	Used as at 31 Dec 22 (Million Baht)	Details of the Guarantees, Mortgages and Pledges	Opinions of the Audit Committee
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As at 31 Dec 2021 and 2022, the Company has no guarantees, mortgages and pledges by the person with possible conflict of interest.

4. Financial Lease Guarantees (car lease)

Lessor	Leased Properties (car lease)	Value from finance lease agreement (Million Baht)	Finance lease payable as at 31 Dec 21 (Million Baht)	Finance lease payable as at 31 Dec 22 (Million Baht)	Guarantor	Opinions of the Audit Committee
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As at 31 Dec 2021 and 2022, the Company has no financial lease guarantees (car lease) by the person with possible conflict of interest.

5. Reasons and Necessity of Transaction

NSL conducts every transaction carefully, while keeping in mind the utmost interest of NSL and its shareholders. The transactions between NSL and every person with possible conflict of interest are normal transactions that are conducted on the basis of necessity and reasonableness to support the business operation of NSL. The terms of transactions are specified according to the standard business practices and market price; the transaction process is also normal and based on the practices rendered to outside parties with similar characteristics. Loans are only secured from persons related to the Company only when necessary.

6. Transaction Approval Process

NSL approves every transaction with the interest of NSL in mind. The consideration process is also conducted in compliance with NSL regulations and in consultation with the Committees as specified by the standard practices. The Audit Committee, the Board of Directors and NSL Executives jointly consider every transaction based on its impact and ensure that the agreed price is reasonable and comparable to the process rendered for outside parties.

In the case where there are possible conflicts of interest between Directors, Executives and the concerned persons, the said Directors and executives shall not be able to take part in the approval process of the transaction. This is in accordance with the practices as specified by the Securities and Exchange Commission (SEC) and/or the Stock Exchange of Thailand.

In the case where the Audit Committee does not possess the required credentials to consider a particular transaction, NSL may appoint an independent expert or NSL auditor to give opinions on the transactions for the consideration of the Audit Committee, the Board of Directors or the shareholders (depending on the case). This is to make sure that the transaction is necessary, reasonable and conducted with the interest of NSL in mind. Additionally, NSL shall disclose the details of every transaction in the annual information report, annual report and the notes to financial statement, which would be audited by the NSL auditors.

Transactions that are general business agreements

Normal business and business support transactions between NSL and its subsidiaries and its Directors, Executives or persons with conflict of interest that have been approved by the Board of Directors could be carried out if the said transactions appear to be normal according to the standard practices rendered by other parties in similar circumstances. The transactions must be conducted without any business leverage that stems from the fact that the persons concerned hold the positions of Director, Executive or other related persons with the Company. Moreover, NSL would prepare the summary of all transactions and present it to the Audit Committee and the Board of Directors every quarter.

Transactions that are not general business agreements

Transactions that are not general business agreements must be considered and commented on by the Audit Committee before submitting for the consideration of the Board of Directors or the Shareholders' Meeting (depending on the case). Nonetheless, every transaction must be in accordance with the law concerning stock and stock market, other related regulations, announcements and orders by the Capital Market Supervisory Board and the Stock Exchange of Thailand, as well as the regulations concerning the disclosure of related transaction data.

7. Policies and Trends of Future Transactions

Transactions that may be conducted in the future must be in accordance with the law concerning stock and stock market, other related regulations, announcements and orders by the Capital Market Supervisory Board and the Stock Exchange of Thailand, as well as the regulations concerning the disclosure of related transaction data between NSL and subsidiaries, according to the accounting standards as specified by the Federation of Accounting Professions. However, NSL is of the opinion that only 1 transaction shall remain, which is the sale of products to Thungthong Prasobchock, with other transactions having no tendency to continue going forward.

8. Guarantee Agreements to delineate the business areas

As Ms. Waewdao—an NSL executive—and Ms. Sangdaun—a related person of Ms. Waewdao—are both major shareholders and Directors with authorization to sign documents on behalf of the Company that may have conflicts of interest with NSL, the said persons have agreed to sign the Guarantee Agreements, delineating the business areas in order to protect against potential conflict of interest. The Agreements are summarized as follows;

Signatories	:	1. Ms. Waewdao Tanavatsatiend 2. Ms. Sangdaun Tanavatsatiend
Contract Date:	:	1 August 2019
Commencement Date	:	1 August 2019 (Contract Date)
Terms	:	Non-competition with NSL group: the signatories agree that the signatories and other persons as stipulated by Section 258 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) will not conduct any businesses that will compete with NSL, including the wholesaling of fish, seafood, meat, seaweed, vegetables, both frozen and processed as well as any other businesses of similar or comparable characteristics, nor will they compete with such business in Thailand.
Contract Duration	:	The Agreements will cease to be effective 5 years after the signatories have ceased to be NSL employees.

Part 3

Financial Statement

Report of the Board of Directors' Responsibilities for the Financial Reports

The Board of Directors is responsible for the financial statements of NSL Foods Public Company Limited (the "Company") of the Company which have been prepared in accordance with the appropriate accounting policies and have been consistently applied. The notes to the financial statements adequately and transparency disclose the important details for shareholders and normal usages. The external auditors of the Company has audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board of Directors has provided the system of controls and risk management including the effective internal controls system in order to have reasonable assurance that the financial records are accurate, complete and adequate to maintain and preserve the assets of the Company and to protect any causes of fraud or significant irregular operations.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to evaluate the internal control system, risk management system, and various systems to support effective financial documentation to ensure that accounting records are correct, complete, timely, adequate to protect its asset, as well as able to prevent fraud or materially irregular operations. The Audit Committee's opinion is presented in the Audit Committee report which is a part of this annual report.

The Board of Directors considers that the internal control system and the internal audit of the Company provide credibility to the financial statements of the Company for the year ended 31 December 2022 are adequately disclosed the financial position, financial results and cash flows are fairly presented in all material respects with the financial reporting standards.



Mrs. Suvimol Chrityakierne
Chairman of the Board



Mr. Somchai Asavapiyanond
Chairman of the Executive Committee

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

NSL FOODS PUBLIC COMPANY LIMITED

Opinion

We have audited the financial statements of NSL Foods Public Company Limited (the “Company”), which comprise the statements of financial position as at December 31, 2022, and the related statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NSL Foods Public Company Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	Audit Responses
<p>Revenue recognition near the end of the reporting period</p> <p>The revenue from sales represented significant amounts in the financial statements, and directly affect profit or loss of the Company. As a result, there is a risk with respect to the timing of transfer the control of goods that also impact to revenue recognition. We therefore give attention to the revenue recognition of the Company near the end of the reporting period.</p> <p>The accounting policy of revenue recognition of the Company are disclosed in notes to the financial statements no. 3.11.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Gained understanding and performed test of design and implementation as well as operating effectiveness of the relevant controls over revenue recognition process near the end of the reporting period. • Tested sales transactions occurred before and after the end of the reporting period with sales order and delivery note/tax invoice to ensure whether the revenue is recognized in the appropriate period. • Performed the analysis of disaggregated data by type of product and compared the gross margin by type of product to detect possible irregularities in sales transactions throughout the reporting period.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and 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 TFRSs, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

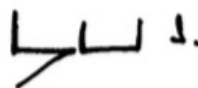
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Mongkol Somphol
Certified Public Accountant (Thailand)
Registration No. 8444

BANGKOK
February 24, 2023

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

STATEMENT OF FINANCIAL POSITION

NSL FOODS PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2022

UNIT : BAHT

	Notes	2022	2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	115,148,373	459,329,247
Trade and other current receivables	6	595,411,912	496,282,374
Inventories	7	267,104,666	188,839,047
Other current financial assets - temporary investments	8	301,045,495	1,000
Derivative assets	9	-	166,232
Other current assets		2,696,924	2,293,536
Total Current Assets		<u>1,281,407,370</u>	<u>1,146,911,436</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	954,448,280	914,355,489
Right-of-use assets	11	15,248,014	11,435,201
Intangible assets	12	6,069,756	7,108,084
Deferred tax assets	13	8,146,333	10,712,134
Other non-current assets	14	24,335,722	20,370,922
Total Non-current Assets		<u>1,008,248,105</u>	<u>963,981,830</u>
TOTAL ASSETS		<u><u>2,289,655,475</u></u>	<u><u>2,110,893,266</u></u>

Notes to the financial statements form an integral part of these statements

STATEMENT OF FINANCIAL POSITION (CONTINUED)

NSL FOODS PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2022

UNIT : BAHT

	Notes	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank overdrafts and short-term borrowings			
from a financial institution	15	58,791,591	38,656,217
Trade and other current payables	16	559,495,717	453,247,081
Current portion of long-term borrowings			
from a financial institution	17	103,339,853	102,797,888
Current portion of lease liabilities	18	5,329,613	4,626,714
Current income tax payable		34,216,090	20,718,994
Derivative liabilities	19	3,840,594	199,101
Other current liabilities		8,546,738	7,930,504
Total Current Liabilities		<u>773,560,196</u>	<u>628,176,499</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from a financial institution	17	72,164,348	175,290,466
Lease liabilities	18	7,365,055	5,575,393
Non-current provisions for employee benefit	20	30,474,865	49,826,899
Total Non-current Liabilities		<u>110,004,268</u>	<u>230,692,758</u>
TOTAL LIABILITIES		<u>883,564,464</u>	<u>858,869,257</u>

Notes to the financial statements form an integral part of these statements

STATEMENT OF FINANCIAL POSITION (CONTINUED)

NSL FOODS PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2022

UNIT : BAHT

	Notes	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
(CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000
Issued and paid-up share capital			
300,000,000 ordinary shares of Baht 1 each, fully paid		300,000,000	300,000,000
PREMIUM ON ORDINARY SHARES	21	797,375,186	797,375,186
RETAINED EARNINGS			
Appropriated			
Legal reserve	22	30,000,000	30,000,000
Unappropriated		278,715,825	124,648,823
TOTAL SHAREHOLDERS' EQUITY		1,406,091,011	1,252,024,009
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,289,655,475	2,110,893,266

Notes to the financial statements form an integral part of these statements

STATEMENTS OF COMPREHENSIVE INCOME

NSL FOODS PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT : BAHT

	Notes	2022	2021
REVENUES			
Revenue from sales		4,001,472,632	3,038,293,182
Other income		8,298,692	4,590,697
Total Revenues		<u>4,009,771,324</u>	<u>3,042,883,879</u>
EXPENSES			
Cost of sales		3,259,347,644	2,496,658,959
Distribution costs		267,125,341	203,792,770
Administrative expenses		101,378,174	93,244,925
Total Expenses		<u>3,627,851,159</u>	<u>2,793,696,654</u>
PROFIT FROM OPERATING ACTIVITIES		381,920,165	249,187,225
FINANCE COSTS		<u>10,281,445</u>	<u>16,796,033</u>
PROFIT BEFORE INCOME TAX		371,638,720	232,391,192
INCOME TAX EXPENSES	13	<u>74,041,436</u>	<u>41,279,706</u>
PROFIT FOR THE YEARS		297,597,284	191,111,486
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations	20.1	8,086,398	-
Income tax relating to remeasurements of retirement benefit obligations	13	<u>(1,617,280)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEARS			
- NET OF TAX		<u>6,469,118</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		<u><u>304,066,402</u></u>	<u><u>191,111,486</u></u>
Basic earnings per share (Baht)	26	0.99	0.70
Weighted average number of ordinary shares (shares)	26	300,000,000	272,671,233

Notes to the financial statements form an integral part of these statements

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

NSL FOODS PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT : BAHT

	Notes	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings		Total Shareholders' Equity
				Appropriated Legal Reserve	Unappropriated	
Balance as at January 1, 2021		225,000,000	-	30,000,000	199,784,825	454,784,825
Increase in share capital	21	75,000,000	797,375,186	-	-	872,375,186
Dividends paid	23	-	-	-	(266,247,488)	(266,247,488)
Total comprehensive income for the year		-	-	-	191,111,486	191,111,486
Balance as at December 31, 2021		300,000,000	797,375,186	30,000,000	124,648,823	1,252,024,009
Balance as at January 1, 2022		300,000,000	797,375,186	30,000,000	124,648,823	1,252,024,009
Dividends paid	23	-	-	-	(149,999,400)	(149,999,400)
Total comprehensive income for the year		-	-	-	304,066,402	304,066,402
Balance as at December 31, 2022		300,000,000	797,375,186	30,000,000	278,715,825	1,406,091,011

Notes to the financial statements form an integral part of these statements

STATEMENT OF CASH FLOWS

NSL FOODS PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT : BAHT

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the years		297,597,284	191,111,486
Adjustments for			
Income tax expense		74,041,436	41,279,706
Depreciation		95,307,525	90,926,264
Amortization of rights-of-use assets		5,745,237	4,618,434
Amortization of intangible assets		1,150,328	1,103,503
Loss on write-off of fixed assets		14,875	619
Gain on disposal of fixed assets		(26,408)	(682,046)
Non-current provisions for employee benefit expense		4,792,560	8,695,145
Impairment loss recognized in profit or loss		763,862	40,727
Loss on declining in value of inventories (reverse)		2,489,815	(4,791,728)
Unrealized loss (gain) on exchange rate		(4,023,896)	754,603
Unrealized loss (gain) on derivative		3,807,725	(678,655)
Gain on revaluation of other current financial assets		(1,044,492)	-
Interest income		(582,029)	(333,117)
Finance cost		10,281,445	16,796,033
Profit from operation before changes			
in operating assets and liabilities		490,315,267	348,840,974
Operating assets (increase) decrease			
Trade and other current receivables		(99,601,618)	(82,891,404)
Inventories		(80,755,434)	(42,225,494)
Other current assets		(403,388)	(854,542)
Other non-current assets		-	(500,000)
Operating liabilities increase (decrease)			
Trade and other current payables		112,092,329	36,552,645
Other current liabilities		616,234	(22,262,749)
Cash paid for employee benefit		(16,058,196)	(546,192)
Cash received from operation		406,205,194	236,113,238
Cash received from deposit interest		290,244	333,117
Cash paid for income tax expenses		(59,595,819)	(44,651,871)
Net cash provided by operating activities		346,899,619	191,794,484

STATEMENT OF CASH FLOWS (CONTINUED)

NSL FOODS PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT : BAHT

	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for other current financial assets - temporary investments		(300,000,000)	(1,000)
Cash paid for purchases of fixed assets	5.1	(144,741,151)	(32,697,048)
Proceeds from sales of fixed assets		26,416	923,832
Cash paid for purchases of intangible assets	5.2	(368,000)	(787,000)
Net cash used in investing activities		<u>(445,082,735)</u>	<u>(32,561,216)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from (repaid for) short-term borrowing from a financial institution	5.3	23,932,729	(186,152,877)
Cash repaid for long-term borrowings from a financial institution	5.3	(101,780,121)	(106,563,632)
Cash repaid for lease liabilities	5.3	(7,603,053)	(6,257,512)
Interest paid	5.3	(10,547,913)	(16,991,773)
Cash received from increase in share capital - net	21	-	872,375,186
Dividends paid	23	(149,999,400)	(266,247,488)
Net cash provided by (used in) financing activities		<u>(245,997,758)</u>	<u>290,161,904</u>
Net increase (decrease) in cash and cash equivalents		(344,180,874)	449,395,172
Cash and cash equivalents as at January 1,		<u>459,329,247</u>	<u>9,934,075</u>
Cash and cash equivalents as at December 31,	4	<u><u>115,148,373</u></u>	<u><u>459,329,247</u></u>

Notes to the financial statements form an integral part of these statements

NOTES TO THE FINANCIAL STATEMENTS

NSL FOODS PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2022

1. THE COMPANY'S OPERATIONS AND GENERAL INFORMATION

NSL Foods Public Company Limited (the “Company”) was incorporated as a limited company under the Thai Civil and Commercial Code on January 23, 2006. The Company registered the conversion of a private company into a public company on April 23, 2020 and registered with the Stock Exchange of Thailand on May 19, 2021 with its head office and branch offices located as follows:

Head office	: 55/22 Moo 3, Bangbuathong-Nonthaburi bridge (345) Road, Tambol Lam Pho, Amphur Bang Bua Thong, Nonthaburi
The first branch office	: 700/707 Moo 1, Tambol Phan Thong, Amphur Phan Thong, Chonburi
The second branch office	: 700/836 Moo 6, Tambol Nong Tamlueng, Amphur Phan Thong, Chonburi
The third branch office	: 29/52 Moo 2, Bangbuathong-Nonthaburi bridge (345) Road, Tambol Lam Pho, Amphur Bang Bua Thong, Nonthaburi
The fourth branch office	: 55/11 Moo 3, Bangbuathong-Nonthaburi bridge (345) Road, Tambol Lam Pho, Amphur Bang Bua Thong, Nonthaburi

The Company is engaged in manufacture and distribution of all kinds of bakery, wholesaler of frozen and processed fish, aquatic products, meat, seaweeds and vegetables.

As at December 31, 2022 and 2021, the Company's major shareholder is Mr. Somchai Asavapiyanond, holding 71.67% and 74.99% of the Company's paid-up share capital, respectively.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2022 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562” dated December 26, 2019.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).

- 2.4 The statements of financial position for the year ended December 31, 2021, presented herein for comparison, have been derived from the audited financial statements of the Company for the year then ended.
- 2.5 The preparation of the financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. The areas involve a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements (see Note 3).
- 2.6 The English version of the financial statements have been prepared from the financial statements that are in the Thai language under Thai laws. In the event of a conflict or a difference in interpretation between the two languages, the Thai version of financial statements shall prevail.
- 2.7 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the year, the Company has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and accounting requirements for interest rate reform - Phase 2. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

- 2.8 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

On August 19, 2022, Thai Financial Reporting Standard No.17 "Insurance Contracts" has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2025 onwards.

On September 26, 2022, the revised TFRSs have been announced in the Royal Gazette which will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards. TFRSs which have been amended and relevant to the Company are as follows:

Thai Accounting Standard No.16 "Property, Plant and Equipment"

The amendments require an entity recognises any proceeds from selling items produced before that asset is available for use in profit or loss, instead of deducting from the cost of such asset. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of shareholders' equity, as appropriate) at the beginning of that earliest period presented.

Thai Accounting Standard No.37 “Provisions, Contingent Liabilities and Contingent Assets”

The amendments specify that the “cost of fulfilling a contract” comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of shareholders’ equity, as appropriate.

Thai Financial Reporting Standard No.3 “Business Combinations”

The amendments update TFRS 3 so that it refers to the Conceptual Framework which is currently effective. In addition, they also add to TFRS 3 a requirement that, for obligations within the scope of TAS 37, an acquirer applies TAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of TFRIC 21 “Levies”, the acquirer applies TFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

Thai Financial Reporting Standard No.9 “Financial Instruments”

The amendment clarifies that in applying the “10 per cent” test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are as follows:

3.1 Cash and cash equivalents

Cash and cash equivalents consist of cash and all types of deposits at financial institutions with original maturities of 3 months or less from the date of acquisition, excluding deposits at financial institutions used as collateral (if any).

3.2 Financial instruments

Initial recognition and measurement of financial assets and financial liabilities

- A financial asset measured at amortized cost and a financial asset measured at fair value through other comprehensive income are measured at their fair value, plus or less transaction costs that are directly attributable to the acquisition or issuance of the financial assets.
- A financial asset measured at fair value through profit or loss is measured at its fair value. Transaction costs are expensed in profit or loss.
- Financial liabilities, which are not measured at FVTPL is measured at fair value minus transaction costs that are directly attributable to the acquisition or issuance of the financial liabilities.

Subsequent measurement of financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

The financial assets that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets 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.

The financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The Company applies simplified approach for allowance for expected credit losses consideration.

Subsequent measurement of financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid and received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derivative financial instruments

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3.3 Trade and other receivables

Trade receivables, other receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.2.

3.4 Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost is determined by the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for obsolescence and slow moving is recorded based on the consideration of future use of those inventories and the aging analysis at the end of each reporting period.

3.5 Property, plant and equipment

Land is stated at cost less allowance for impairment, if any.

Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately by major components.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in statement of comprehensive income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as an expense to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	20 years
Building improvement	20 years
Machinery	5 years and 10 years
Tools and equipment	3 years, 5 years and 10 years
Furniture	5 years
Office equipment	5 years
Vehicles	5 years

No depreciation is provided on land, machinery under installation and construction in progress.

In case impairment of property, plant and equipment has occurred, the resultant loss on impairment is recognized as expenses in the statement comprehensive income.

3.6 Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes right-of-use assets and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases with a lease term of 12 months or less and leases of low value assets, in which the lease payments are recognized as operating expense on a straight-line basis over the lease term and presents as an expense in the statement of comprehensive income.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lease under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Company recognizes interest from lease liability in the statement of comprehensive income.

The Company remeasures the lease liability and makes a corresponding adjustment to the related right-of-use assets whenever:

- In case that the lease term has been changed resulting in a change in the assessment of exercise of a purchase option to purchase the underlying asset, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- In case that the lease payments have been changed due to changes in an index or a rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.
- In case that a lease contract is modified and the lease modification that is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Right-of-use assets are depreciated over the period of lease term starting from the commencement date of the lease and are assessed for impairment in accordance with TAS 36 “Impairment of assets”.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3.7 Intangible assets

Intangible assets represent computer software and customer relationship arising from business acquisition which is stated at cost, net of accumulated amortization and allowance for impairment of assets (if any).

Amortization is recognized as an expense in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives of intangible assets are as follows:

Computer software	5 years and 10 years
Customer relationship	5 years and 6 years

In case of impairment of intangible assets has occurred, the resultant loss on impairment is recognized by the Company as expense in the statement of comprehensive income.

3.8 Borrowings

Borrowings are recognized initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings.

3.9 Provisions

Provisions are recognized when the Company 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.

3.10 Employee benefit obligations

The Company records employee benefit obligations under the Labor Protection Act and other long-term benefits obligation under the Company's employment policy for employees who work in defined periods which employees will receive additional benefits when they work for the Company for 3 years, and after that employees will receive it every 5 years, using the Projected Unit Credit Method calculated by an independent actuary based on actuarial assumptions as at the statement of financial position date, using various factors including assessment of the average age and employment life of its employees, employee turnover rate and assumption of future salary increases. The employee benefit obligations is discounted to the present value as at the statement of financial position date and under the assumption that the employees of various ages will work with the Company until retirement age.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions under the Labor Protection Act are charged to other comprehensive income in the period in which they arise.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions under other long-term benefits obligation are charged to statement of comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in the statement of comprehensive income.

Past-service costs related to plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

3.11 Revenues and expenses recognition

Revenues from sales

Revenues from sales are recognized at point in time and recognized when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Revenue from sales are measured at the amount of the consideration received or expect to be received for the delivered goods after deduction of trade discount given to the customer excluding value-added tax.

Other income are recognized in the statement of comprehensive income on an accrual basis.

Expenses are recognized on an accrual basis.

3.12 Finance costs

Finance costs is recognized using the effective interest method and comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

3.13 Income tax expenses

Income tax expenses comprise the sum of the current income tax and deferred tax.

3.13.1 Current income tax

Current income tax is tax payable which is calculated from taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted at the statement of financial position date.

3.13.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company recognizes deferred tax liabilities for all taxable temporary differences in the financial statements.

3.14 Foreign currency transactions

Transactions denominated in foreign currencies during the year are converted into Baht at the rates of exchange prevailing at the transaction dates. All balances of monetary assets and liabilities in foreign currencies at the statement of financial position date are converted into Baht at the reference exchange rates established by the Bank of Thailand at that date.

Gains or losses on foreign exchange arising on settlements and conversion are recognized as income or expenses in the statement of comprehensive income.

3.15 Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the year by the weighted average number of outstanding ordinary shares at the statement of financial position date. In case of a capital increase, the number of ordinary shares is weighted according to time of subscriptions received for the increase in issued and paid-up capital.

The Company does not have any potential ordinary shares to dilute the earnings per share.

3.16 Operating segments

The Company presented the operating segments on the basis of internal reports that are regularly reviewed by the chief operating decision maker for the purposes of making decisions about allocating resources to the segments and assessing the performance of the operating segments. The Company has two segments which are manufacturing and distribute all kind of bakery segment and wholesaler of frozen and processed fish, aquatic products, meat, seaweeds and vegetables segment. The Company also operate in a single geographic area which is Thailand.

3.17 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

3.18 Use of management's judgments

The preparation of financial statements in conformity with TFRS requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and various assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consist of:

	Unit : Baht	
	2022	2021
Cash on hand	65,633	193,137
Cash at banks - current account	4,672,215	5,799,298
Cash at banks - savings account	110,409,524	453,336,812
Cash at banks - 3 months fixed account	1,001	-
	<u>115,148,373</u>	<u>459,329,247</u>

5. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

5.1 Purchases of fixed assets for the years ended December 31, are as follows:

		Unit : Baht	
	Notes	2022	2021
Accounts payable - acquisition of fixed assets brought forward		12,723,392	255,128
<u>Add</u> Fixed assets purchased during the years	10	135,415,199	32,475,490
<u>Add</u> Advance payment for fixed assets increase ⁽¹⁾		3,964,800	12,689,822
<u>Less</u> Cash paid during the years		<u>(144,741,151)</u>	<u>(32,697,048)</u>
Accounts payable - acquisition of fixed assets carried forward	16	<u>7,362,240</u>	<u>12,723,392</u>

⁽¹⁾ Advance payment for fixed assets was recorded as a part of other non-current assets (see Note 14).

5.2 Purchases of intangible assets for the years ended December 31, are as follows:

		Unit : Baht	
	Notes	2022	2021
Accounts payable - acquisition of intangible assets brought forward		256,000	169,000
<u>Add</u> Assets purchased during the years	12	112,000	874,000
<u>Less</u> Cash paid during the years		<u>(368,000)</u>	<u>(787,000)</u>
Accounts payable - acquisition of intangible assets carried forward	16	<u>-</u>	<u>256,000</u>

5.3 Reconciliation of liabilities arising from financing activities

The below table presents change in the liabilities arising from financing activities, including both change arising from cash flows and non-cash changes as follows:

								Unit : Baht
	Balance as at January 1, 2022	Cash provided by financing activities	Cash used in financing activities	Non-cash changes			Interest expense	Balance as at December 31, 2022
				Adjust interest according to effective interest rate	Asset under lease agreement increase	Unrealized gain on exchange rate		
Short-term borrowings from a financial institution	38,656,217	23,932,729	-	-	-	(3,797,355)	-	58,791,591
Long-term borrowings from a financial institution	278,088,354	-	(101,780,121)	(804,032)	-	-	-	175,504,201
Lease liabilities	10,202,107	-	(7,603,053)	-	9,558,050	-	537,564	12,694,668
Accrued interest expense	-	-	(10,547,913)	804,032	-	-	9,743,881	-
Total	326,946,678	23,932,729	(119,931,087)	-	9,558,050	(3,797,355)	10,281,445	246,990,460

							Unit : Baht
	Balance as at January 1, 2021	Cash used in financing activities	Non-cash changes			Interest expense	Balance as at December 31, 2021
			Adjust interest according to effective interest rate	Asset under lease agreement increase (decrease)	Unrealized loss on exchange rate		
Short-term borrowings from							
a financial institution	224,023,632	(186,152,877)	-	-	785,462	-	38,656,217
Long-term borrowings from							
a financial institution	385,288,388	(106,563,632)	(636,402)	-	-	-	278,088,354
Lease liabilities	9,899,470	(6,257,512)	-	6,119,487	-	440,662	10,202,107
Accrued interest expense	-	(16,991,773)	636,402	-	-	16,355,371	-
Total	619,211,490	(315,965,794)	-	6,119,487	785,462	16,796,033	326,946,678

6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consist of:

			Unit : Baht
	Note	2022	2021
Trade receivables - other companies		577,211,685	487,585,468
Less Allowance for expected credit losses		(932,586)	(222,602)
Trade receivable - a related party	27	465,986	400,051
Other receivables - other companies		2,911,812	1,078,194
Prepaid expenses		15,755,015	7,441,263
		<u>595,411,912</u>	<u>496,282,374</u>

Trade receivables as at December 31, are classified by aging as follows:

	Unit : Baht	
	2022	2021
Other companies		
Within credit terms	381,123,392	323,577,855
Overdue		
Less than 30 days	190,159,553	161,951,630
Over 30 days but less than 60 days	3,328,813	725,938
Over 60 days but less than 90 days	567,411	587,230
Over 90 days but less than 120 days	268,403	364,202
Over 120 days but less than 180 days	299,250	130,146
Over 180 days but less than 365 days	1,064,555	51,731
Over 365 days	400,308	196,736
	<u>577,211,685</u>	<u>487,585,468</u>
A related party		
Within credit terms	233,123	393,451
Overdue		
Less than 30 days	232,863	6,600
	<u>465,986</u>	<u>400,051</u>

The normal credit term granted by the Company ranges for 30 days.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors. The Company has recognized a loss allowance of 50% against over 180 days but less than 365 days and a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

The following table details the risk profile of trade receivables based on the Company's provision expected credit losses matrix as at December 31, 2022 and 2021.

							Unit : Baht
As at December 31, 2022	Not past due	< 30 days	Trade receivables - days past due				Total
			31 - 90 days	91 - 180 days	181 - 365 days	> 366 days	
Expected credit loss rate (%)	0	0	0	0	50	100	
Trade receivables	381,356,515	190,392,416	3,896,224	567,653	1,064,555	400,308	577,677,671
Lifetime ECL	-	-	-	-	532,278	400,308	932,586

							Unit : Baht
As at December 31, 2021	Not past due	< 30 days	Trade receivables - days past due				Total
			31 - 90 days	91 - 180 days	181 - 365 days	> 366 days	
Expected credit loss rate (%)	0	0	0	0	50	100	
Trade receivables	323,971,306	161,958,230	1,313,168	494,348	51,731	196,736	487,985,519
Lifetime ECL	-	-	-	-	25,866	196,736	222,602

7. INVENTORIES

Inventories as at December 31, consist of:

	2022	Unit : Baht 2021
Raw materials	188,255,636	133,443,342
Supplies and packages	19,018,777	17,145,392
Work in process	3,883,856	6,027,202
Finished goods	33,995,932	22,907,586
Goods in transit	26,866,445	11,741,690
<u>Less Allowance for deterioration</u>	<u>(4,915,980)</u>	<u>(2,426,165)</u>
	<u>267,104,666</u>	<u>188,839,047</u>

During the years 2022 and 2021, the Company recorded the write-down (reversal) of cost for allowance for obsolescence of inventories of Baht 2.49 million and Baht (4.79) million, respectively, as part of cost of sales. Cost of inventories of Baht 2,534.34 million and Baht 1,927.58 million recognized as cost of sales for the years ended December 31, 2022 and 2021, respectively.

8. OTHER CURRENT FINANCIAL ASSETS - TEMPORARY INVESTMENTS

Other current financial assets - temporary investments as at December 31, consist of:

	2022	Unit : Baht 2021
Financial assets at amortization costs (see Note 24)		
- Fixed deposit at bank maturity within 12 months (Interest rate at 0.375% per annum)	100,001,003	1,000
Financial assets at fair value through profit or loss (see Note 24)		
- Opened-end fixed income funds	201,044,492	-
Total	<u>301,045,495</u>	<u>1,000</u>

9. DERIVATIVE ASSETS

Derivative assets as at December 31, 2021 (2022: Nil), consist of:

Type of contract	2021			
	Contract amount		Fair value contract	
	Receiving USD	Delivering THB	Asset THB	Liability THB
Forward foreign exchange contracts (see Note 24)	376,235	12,410,648	166,232	-
Total derivative	<u>376,235</u>	<u>12,410,648</u>	<u>166,232</u>	<u>-</u>

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, consist of:

As at December 31, 2022

					Unit : Baht
	Balance as at January 1, 2022	Addition	Decrease	Transfer in/ (out)	Balance as at December 31, 2022
Cost:					
Land	290,649,250	-	-	-	290,649,250
Buildings	672,183,082	-	-	-	672,183,082
Buildings improvement	21,629,151	6,245,157	-	2,363,300	30,237,608
Machinery	419,550,724	93,659,755	(672,800)	3,960,000	516,497,679
Tools and equipment	155,223,408	11,332,881	(1,213,196)	-	165,343,093
Fixtures	8,716,950	5,820,083	(90,000)	-	14,447,033
Office equipment	17,307,799	2,293,185	(239,582)	-	19,361,402
Vehicles	28,254,029	535,000	-	-	28,789,029
Total cost	1,613,514,393	119,886,061	(2,215,578)	6,323,300	1,737,508,176
Accumulated depreciation:					
Buildings	(227,557,909)	(33,591,971)	-	-	(261,149,880)
Buildings improvement	(2,490,187)	(1,243,302)	-	-	(3,733,489)
Machinery	(302,196,289)	(45,061,091)	659,745	-	(346,597,635)
Tools and equipment	(123,552,909)	(11,112,839)	1,213,192	-	(133,452,556)
Fixtures	(5,126,275)	(1,762,445)	89,999	-	(6,798,721)
Office equipment	(14,063,311)	(1,375,041)	237,759	-	(15,200,593)
Vehicles	(25,690,859)	(1,160,836)	-	-	(26,851,695)
Total accumulated depreciation	(700,677,739)	(95,307,525)	2,200,695	-	(793,784,569)
Machinery under installation	800,000	13,884,673	-	(3,960,000)	10,724,673
Construction in progress	718,835	1,644,465	-	(2,363,300)	-
Property, plant and equipment	914,355,489				954,448,280

As at December 31, 2021

						Unit : Baht
	Balance as at January 1, 2021	Addition	Transfer from right- of-use asset (see Note 11)	Decrease	Transfer in/ (out)	Balance as at December 31, 2021
Cost:						
Land	290,649,250	-	-	-	-	290,649,250
Buildings	672,183,082	-	-	-	-	672,183,082
Buildings improvement	15,467,716	3,955,066	-	-	2,206,369	21,629,151
Machinery	415,406,917	18,889,800	-	(14,745,993)	-	419,550,724
Tools and equipment	168,563,547	4,958,265	-	(18,298,404)	-	155,223,408
Fixtures	8,359,132	357,818	-	-	-	8,716,950
Office equipment	19,080,836	1,539,298	-	(3,312,335)	-	17,307,799
Vehicles	29,816,560	177,000	1,931,869	(3,671,400)	-	28,254,029
Total cost	<u>1,619,527,040</u>	<u>29,877,247</u>	<u>1,931,869</u>	<u>(40,028,132)</u>	<u>2,206,369</u>	<u>1,613,514,393</u>
Accumulated depreciation:						
Buildings	(193,965,938)	(33,591,971)	-	-	-	(227,557,909)
Buildings improvement	(1,595,155)	(895,032)	-	-	-	(2,490,187)
Machinery	(275,293,550)	(41,406,740)	-	14,504,001	-	(302,196,289)
Tools and equipment	(130,447,951)	(11,403,067)	-	18,298,109	-	(123,552,909)
Fixtures	(3,748,241)	(1,378,034)	-	-	-	(5,126,275)
Office equipment	(15,948,461)	(1,427,067)	-	3,312,217	-	(14,063,311)
Vehicles	(27,164,261)	(824,353)	(1,373,645)	3,671,400	-	(25,690,859)
Total accumulated depreciation	<u>(648,163,557)</u>	<u>(90,926,264)</u>	<u>(1,373,645)</u>	<u>39,785,727</u>	<u>-</u>	<u>(700,677,739)</u>
Machinery under installation	-	800,000	-	-	-	800,000
Construction in progress	1,126,961	1,798,243	-	-	(2,206,369)	718,835
Property, plant and equipment	<u>972,490,444</u>					<u>914,355,489</u>

Depreciation for the years ended December 31,

2022	Baht	<u>95,307,525</u>
2021	Baht	<u>90,926,264</u>

As at December 31, 2022 and 2021, the Company had pledged all land and buildings with carrying value amounting to Baht 701.68 million and Baht 735.27 million, respectively, as collateral against credit facilities from a financial institution and bank overdrafts which have not been drawn down from a financial institution (see Note 15 and Note 17).

As at December 31, 2021, the Company had pledged machinery, tools and equipment with cost amounting to Baht 36.02 million as collateral against credit facilities from a financial institution (see Note 15, and Note 17). As at December 31, 2022, the Company fully paid borrowings from a financial institution for such credit facilities and redeemed collateral against credit facilities.

As at December 31, 2022 and 2021, costs of property, plant and equipment in the financial statements that were fully depreciated but still in use were Baht 223.67 million and Baht 191.35 million, respectively.

11. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, consist of:

As at December 31, 2022

	Unit : Baht			
	Balance as at January 1, 2022	Addition	Decrease	Balance as at December 31, 2022
Cost:				
Machinery	11,082,705	3,449,279	(493,757)	14,038,227
Tools and equipment	2,123,472	1,214,627	-	3,338,099
Vehicles	6,001,141	5,305,608	-	11,306,749
Total cost	<u>19,207,318</u>	<u>9,969,514</u>	<u>(493,757)</u>	<u>28,683,075</u>
Accumulated amortization:				
Machinery	(5,484,266)	(3,063,389)	82,293	(8,465,362)
Tools and equipment	(873,595)	(683,321)	-	(1,556,916)
Vehicles	(1,414,256)	(1,998,527)	-	(3,412,783)
Total accumulated amortization	<u>(7,772,117)</u>	<u>(5,745,237)</u>	<u>82,293</u>	<u>(13,435,061)</u>
Right-of-use assets	<u>11,435,201</u>			<u>15,248,014</u>

As at December 31, 2021

	Unit : Baht				
	Balance as at January 1, 2021	Addition	Decrease	Transfer to plant and equipment (see Note 10)	Balance as at December 31, 2021
Cost:					
Machinery	9,839,809	1,646,488	(403,592)	-	11,082,705
Tools and equipment	1,026,235	1,097,237	-	-	2,123,472
Vehicles	4,290,589	3,642,421	-	(1,931,869)	6,001,141
Total cost	<u>15,156,633</u>	<u>6,386,146</u>	<u>(403,592)</u>	<u>(1,931,869)</u>	<u>19,207,318</u>
Accumulated amortization:					
Machinery	(2,833,780)	(2,787,419)	136,933	-	(5,484,266)
Tools and equipment	(335,862)	(537,733)	-	-	(873,595)
Vehicles	(1,494,619)	(1,293,282)	-	1,373,645	(1,414,256)
Total accumulated amortization	<u>(4,664,261)</u>	<u>(4,618,434)</u>	<u>136,933</u>	<u>1,373,645</u>	<u>(7,772,117)</u>
Right-of-use assets	<u>10,492,372</u>				<u>11,435,201</u>

Amortization for the years ended December 31,

2022	Baht	<u>5,745,237</u>
2021	Baht	<u>4,618,434</u>

12. INTANGIBLE ASSETS

Intangible assets as at December 31, are as follows:

	Unit : Baht			
	Balance as at January 1, 2022	Increase	Transfer in/ (out)	Balance as at December 31, 2022
Cost				
Computer software	8,320,690	112,000	-	8,432,690
Customer relationship	1,377,000	-	-	1,377,000
Total cost	<u>9,697,690</u>	<u>112,000</u>	<u>-</u>	<u>9,809,690</u>
Accumulated amortization				
Computer software	(2,006,885)	(890,964)	-	(2,897,849)
Customer relationship	(582,721)	(259,364)	-	(842,085)
Total accumulated amortization	<u>(2,589,606)</u>	<u>(1,150,328)</u>	<u>-</u>	<u>(3,739,934)</u>
Intangible assets	<u>7,108,084</u>			<u>6,069,756</u>

	Unit : Baht			
	Balance as at January 1, 2021	Increase	Transfer in/ (out)	Balance as at December 31, 2021
Cost				
Computer software	7,446,690	874,000	-	8,320,690
Customer relationship	1,377,000	-	-	1,377,000
Total cost	<u>8,823,690</u>	<u>874,000</u>	<u>-</u>	<u>9,697,690</u>
Accumulated amortization				
Computer software	(1,162,746)	(844,139)	-	(2,006,885)
Customer relationship	(323,357)	(259,364)	-	(582,721)
Total accumulated amortization	<u>(1,486,103)</u>	<u>(1,103,503)</u>	<u>-</u>	<u>(2,589,606)</u>
Intangible assets	<u>7,337,587</u>			<u>7,108,084</u>

Amortization for the years ended December 31,		
2022	Baht	<u>1,150,328</u>
2021	Baht	<u>1,103,503</u>

13. DEFERRED TAX ASSETS AND INCOME TAX EXPENSE

Deferred tax assets as at December 31, consist of:

	Unit : Baht	
	2022	2021
Deferred tax assets	<u>8,146,333</u>	<u>10,712,134</u>

The movements of deferred tax assets and liabilities for the years ended December 31, are as follows:

As at December 31, 2022

	Balances as at January 1, 2022	Items as recognized in profit or loss revenue (expense)		Items as recognized in other comprehensive income	Balances as at December 31, 2022
		Increase	Utilized		
Deferred tax asset					
Allowance for expected credit losses	44,520	141,997	-	-	186,517
Allowance for deterioration	485,233	497,963	-	-	983,196
Difference in useful lives of assets	314,844	-	(157,408)	-	157,436
Amortization of goodwill	122,700	-	(16,180)	-	106,520
Provision for employee benefit	9,965,380	958,512	(3,211,639)	(1,617,280)	6,094,973
Derivative liabilities	39,820	768,119	(39,820)	-	768,119
	<u>10,972,497</u>	<u>2,366,591</u>	<u>(3,425,047)</u>	<u>(1,617,280)</u>	<u>8,296,761</u>
Deferred tax liabilities					
Derivative assets	(33,246)	-	33,246	-	-
Customer relationship	(158,856)	-	51,873	-	(106,983)
Fair value adjustment of assets from business acquisition	(68,261)	-	24,816	-	(43,445)
	<u>(260,363)</u>	<u>-</u>	<u>109,935</u>	<u>-</u>	<u>(150,428)</u>
Deferred tax asset - net	<u>10,712,134</u>	<u>2,366,591</u>	<u>(3,315,112)</u>	<u>(1,617,280)</u>	<u>8,146,333</u>

As at December 31, 2021

	Balances as at January 1, 2021	Items as recognized in profit or loss revenue (expense)		Items as recognized in other comprehensive income	Balances as at December 31, 2021
		Increase	Utilized		
Deferred tax asset					
Allowance for expected credit losses	55,249	-	(10,729)	-	44,520
Allowance for deterioration	1,443,579	-	(958,346)	-	485,233
Difference in useful lives of assets	641,840	-	(326,996)	-	314,844
Amortization of goodwill	138,880	-	(16,180)	-	122,700
Provision for employee benefit	8,335,589	1,739,029	(109,238)	-	9,965,380
Derivative liabilities	142,305	39,820	(142,305)	-	39,820
	<u>10,757,442</u>	<u>1,778,849</u>	<u>(1,563,794)</u>	<u>-</u>	<u>10,972,497</u>
Deferred tax liabilities					
Derivative assets	-	(33,246)	-	-	(33,246)
Customer relationship	(210,729)	-	51,873	-	(158,856)
Fair value adjustment of assets from business acquisition	(93,077)	-	24,816	-	(68,261)
	<u>(303,806)</u>	<u>(33,246)</u>	<u>76,689</u>	<u>-</u>	<u>(260,363)</u>
Deferred tax asset - net	<u>10,453,636</u>	<u>1,745,603</u>	<u>(1,487,105)</u>	<u>-</u>	<u>10,712,134</u>

Income tax expenses for the years ended December 31, consist of:

	Unit : Baht	
	2022	2021
Current income tax expense	73,092,915	41,538,204
Deferred tax in respect of temporary difference	948,521	(258,498)
Income tax expense	<u>74,041,436</u>	<u>41,279,706</u>

Income tax expense for the years ended December 31, can be reconciled to the accounting profit are as follows:

	Unit : Baht	
	2022	2021
Profit before income tax expense	371,638,720	232,391,192
Corporate income tax rate (%)	20	20
Income tax at the tax rate	74,327,744	46,478,238
Effect of the non-taxable income and non-deductible expense	(286,308)	(5,198,532)
Income tax expense	<u>74,041,436</u>	<u>41,279,706</u>
Effective tax rate (%)	19.92	17.76

14. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consist of:

	Unit : Baht	
	2022	2021
Deposit for electrical usage	5,923,100	5,923,100
Advance payment for fixed assets ⁽¹⁾	18,412,622	14,447,822
	<u>24,335,722</u>	<u>20,370,922</u>

⁽¹⁾ As at December 31, 2022 and 2021, the Company had capital commitments of approximately Baht 13.75 million and Baht 14.40 million, respectively, relating to the acquisition of land, building improvement, machinery and equipment.

15. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM A FINANCIAL INSTITUTION

Bank overdrafts and short-term borrowings from a financial institution as at December 31, consist of the following:

	Credit facilities (Baht)		Outstanding balance (Baht)		Interest rate % per annum	
	2022	2021	2022	2021	2022	2021
Bank overdrafts	30,000,000	30,000,000	-	-	MOR	MOR
Letter of credit and/or trust receipt	150,000,000	90,000,000	58,791,591 ⁽¹⁾	38,656,217 ⁽²⁾	Rate as mutually agreed	Rate as mutually agreed
Bills of exchange and/or promissory notes	210,000,000	210,000,000	-	-	Rate as mutually agreed	Rate as mutually agreed
	<u>390,000,000</u>	<u>330,000,000</u>	<u>58,791,591</u>	<u>38,656,217</u>		

⁽¹⁾ As at December 31, 2022, the Company has trust receipt from a local commercial bank of USD 1,320,511 and AUD 543,240 or equivalent to Baht 58,791,591.

⁽²⁾ As at December 31, 2021, the Company has trust receipt from a local commercial bank of USD 890,706 and AUD 353,925 or equivalent to Baht 38,656,217.

Bank overdrafts and short-term borrowings from a financial institution are guaranteed by land and buildings (see Note 10) of the Company. Such facility agreement contains normal covenants related to various matters which are the maintenance of certain debt to equity ratio and the maintenance of certain debt service coverage ratio as specified in the agreement.

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consist of:

	Notes	Unit : Baht	
		2022	2021
Trade payables - other companies		458,746,110	361,875,090
Other payables - other companies		47,730,750	43,995,750
Accounts payable - acquisition of fixed assets	5.1	7,362,240	12,723,392
Accounts payable - acquisition of intangible assets	5.2	-	256,000
Accrued expenses		45,656,617	34,396,849
		<u>559,495,717</u>	<u>453,247,081</u>

17. LONG-TERM BORROWINGS FROM A FINANCIAL INSTITUTION

Long-term borrowings from a financial institution as at December 31, consist of:

	Unit : Baht	
	2022	2021
Opening balance	278,088,354	385,288,388
Repayment during the years	(101,780,121)	(106,563,632)
Adjust interest according to effective interest rate	(804,032)	(636,402)
Ending balance	<u>175,504,201</u>	<u>278,088,354</u>
<u>Less</u> Current portion	<u>(103,339,853)</u>	<u>(102,797,888)</u>
	<u>72,164,348</u>	<u>175,290,466</u>

On March 23, 2018, the Company entered into a loan agreement with a local financial institution in the amount of Baht 604 million. The principal and interest are monthly repayable within 7 years from the drawdown date. The interest rate per annum for the first year to the third year is Minimum Loan Rate (MLR) minus 1.75 percent per annum. Then, the interest rate is MLR minus 1 percent per annum. The borrowings are guaranteed by certain land and buildings (see Note 10). Such loan agreement contains normal covenants related to the maintenance of certain debt to equity ratio and the maintenance of certain debt service coverage ratio as specified in the agreement.

Subsequently, on June 1, 2021, the condition of the long-term loan agreement from a financial institution was amended by change interest rate for the loan amount of Baht 604 million from MLR minus 1 percent per annum to be MLR minus 2 percent per annum.

On August 8, 2019, the Company entered into an additional loan agreement with the same local financial institution, totaling Baht 50 million. The principal and interest are monthly repayable within 5 years from the drawdown date. The interest rate per annum for the first year to the third year is Minimum Loan Rate (MLR) minus 1.75 percent per annum. Then, the interest rate is MLR minus 1 percent per annum. The borrowings are guaranteed by land and buildings, machinery, tools and equipment (see Note 10). The Company received the first installment on the same day in the amount of Baht 3,000,000. Subsequently, on September 19, 2019, the Company received the second installment of Baht 25,212,062. During the year 2022, the Company fully paid such borrowings from a financial institution.

The interest rates of borrowings as at December 31, 2022 and 2021 are 3.58 - 4.08 percent per annum and 3.58 - 4.58 percent per annum, respectively, and the periods in which the borrowings mature were as follows:

	Unit : Baht	
	2022	2021
Within 1 year	103,339,853	102,797,888
After 1 year but within 5 years	72,164,348	175,290,466
Total	<u>175,504,201</u>	<u>278,088,354</u>

18. LEASE LIABILITIES

Lease liabilities as at December 31, consist of:

	Unit : Baht			
	Minimum lease payments		Present value of minimum lease payments	
	2022	2021	2022	2021
Within 1 year	6,149,104	5,351,002	5,329,613	4,626,714
Over 1 year but within 5 years	8,300,287	6,274,815	7,365,055	5,575,393
	<u>14,449,391</u>	<u>11,625,817</u>	<u>12,694,668</u>	<u>10,202,107</u>
<u>Less</u> Deferred interest expense	(809,434)	(663,143)	-	-
<u>Less</u> Deferred value-added tax	(945,289)	(760,567)	-	-
	<u>12,694,668</u>	<u>10,202,107</u>	<u>12,694,668</u>	<u>10,202,107</u>

	Unit : Baht	
	2022	2021
Classification :		
- Current portion of lease liabilities	5,329,613	4,626,714
- Lease liabilities	7,365,055	5,575,393
	<u>12,694,668</u>	<u>10,202,107</u>

19. DERIVATIVE LIABILITIES

Derivative liabilities as at December 31, consist of:

Type of contract	2022				
	Contract amount			Fair value contract	
	Receiving	Delivering		Asset	Liability
	USD	AUD	THB	THB	THB
Forward foreign exchange contracts (see Note 24)	1,395,949	555,218	64,425,439	-	3,840,594
Total derivative	<u>1,395,949</u>	<u>555,218</u>	<u>64,425,439</u>	<u>-</u>	<u>3,840,594</u>

Type of contract	2021				
	Contract amount			Fair value contract	
	Receiving	Delivering		Asset	Liability
	USD	AUD	THB	THB	THB
Forward foreign exchange contracts (see Note 24)	553,460	353,925	27,293,401	-	199,101
Total derivative	<u>553,460</u>	<u>353,925</u>	<u>27,293,401</u>	<u>-</u>	<u>199,101</u>

20. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Non-current provisions for employee benefit as at December 31, consist of:

	Unit : Baht	
	2022	2021
Retirement employee benefit obligations according to The Labor Protection Act	19,306,402	23,927,638
Other long-term employee benefits according to long service award	11,168,463	25,899,261
	<u>30,474,865</u>	<u>49,826,899</u>

20.1 The Company has retirement benefit plan in accordance with Labor Protection Act, which is the unfunded defined benefit plan.

Movements in the present value of the retirement employee benefit obligations for the years ended December 31, are as follows:

	Unit : Baht	
	2022	2021
Opening balance of the present value of non-current provisions for employee benefit	23,927,638	20,275,131
Current service costs	3,756,727	3,320,297
Interest costs	397,659	332,210
Gain on remeasurement of retirement benefit obligations	(8,086,398)	-
Paid during the years	(689,224)	-
Ending balance of the present value of non-current provisions for employee benefit	<u>19,306,402</u>	<u>23,927,638</u>

The principal actuarial assumptions used to calculate non-current provisions for employee benefit as at December 31, consist of:

	Unit : Baht	
	2022	2021
Discount rate	2.81 percent per annum	1.78 percent per annum
Expected rate of salary increase	3.50 to 7.00 percent per annum depend on age range of employees	3.50 to 11.00 percent per annum depend on age range of employees
Employee turnover rate	9.00 to 30.00 percent per annum depend on age range of employees	6.00 to 24.00 percent per annum depend on age range of employees

As at December 31, 2022 and 2021, the weighted-average duration of the defined benefit obligation was 11.8 years and 17.1 years, respectively.

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of non-current provisions for employee benefit as at December 31, as follows:

	Unit : Baht	
	2022	2021
<u>Discount rate</u>		
Discount rate - 1% decrease	1,517,375	3,126,413
Discount rate - 1% increase	(1,328,102)	(2,581,805)
<u>Salary increase rate</u>		
Salary increase rate - 1% decrease	(1,327,613)	(2,920,983)
Salary increase rate - 1% increase	1,486,883	3,477,221
<u>Employee turnover rate</u>		
Employee turnover rate - 20% decrease of assumption	1,666,936	3,822,796
Employee turnover rate - 20% increase decrease of assumption	(1,248,561)	(2,683,069)

20.2 Other long-term employee benefit obligation according to long service award

Movements in the long service award plan for the years ended December 31, are as follows:

	Unit : Baht	
	2022	2021
Opening balance of the present value of non-current provisions for employee benefit	25,899,261	21,402,815
Current service costs	4,185,563	4,932,726
Interest costs	118,679	109,912
Remeasurement recognized in profit or loss	(3,666,068)	-
Paid during the years	<u>(15,368,972)</u>	<u>(546,192)</u>
Ending balance of the present value of non-current provisions for employee benefit	<u>11,168,463</u>	<u>25,899,261</u>

Such expense was recognized in the statement of comprehensive income for the years ended December 31, as follows:

	Unit : Baht	
	2022	2021
Cost of sales	2,852,672	5,073,013
Distribution costs	766,132	1,726,914
Administrative expenses	<u>1,173,756</u>	<u>1,895,218</u>
Total	<u>4,792,560</u>	<u>8,695,145</u>

21. PREMIUM ON ORDINARY SHARES

On May 14, 2021, the Company received the share subscription of 75,000,000 ordinary shares at Baht 12 per share, totaling Baht 900,000,000 from initial public offering. The Company registered the increased paid-up share capital with the Department of Business Development on the same day. The Company recorded the cost of distribution of shares at the amount of Baht 27,624,814 which deducted in the account of premium on ordinary shares. As at December 31, 2021, the Company has premium on ordinary shares at the amount of Baht 797,375,186. The Company's ordinary shares has started trading on the Stock Exchange of Thailand since May 19, 2021.

22. LEGAL RESERVE

Section 116 of the Public Limited Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward, if any, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

As at December 31, 2022 and 2021, the Company's legal reserve equaled to one-tenth of the registered share capital.

23. DIVIDENDS PAID

- 23.1 On April 19, 2021, the Annual General Meeting of the shareholders 2021 of the Company passed a resolution to approve the appropriation of dividend for the annual performance of the year 2020 and the retained earnings as at December 31, 2020 at Baht 0.85 per share, amounting to Baht 191.25 million. Such dividend was paid to shareholders in April 2021.
- 23.2 On August 13, 2021, the Board of Directors' Meeting No. 3/2021 of the Company passed a resolution to approve the appropriation of interim dividend from the net profit for the six-month period ended June 30, 2021 at Baht 0.25 per share, amounting to Baht 75 million. Such interim dividend was paid to shareholders in September 2021. Therefore, the dividends paid in 2021 represent totaling Baht 266.25 million.
- 23.3 On April 22, 2022, the Annual General Meeting of the shareholders 2022 of the Company passed a resolution to approve the dividend payment for the 2021 operating result at Baht 0.50 per share. The Company already paid the interim dividend in September 2021 at Baht 0.25 per share resulting in the remaining dividend will be paid at Baht 0.25 per share, amounting to Baht 75 million. Such dividend was paid to shareholders in May 2022.
- 23.4 On August 9, 2022, at the Board of Directors' Meeting No. 4/2022 of the Company, the Board of Directors passed a resolution to approve the appropriation of interim dividend from the net profit for the six-month period ended June 30, 2022 at Baht 0.25 per share, amounting to Baht 75 million. Such interim dividend was paid to the shareholders in September 2022. Therefore, the dividends paid in 2022 represent totaling Baht 150 million.

24. FINANCIAL INSTRUMENTS

Financial risk management policies

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The primary objective of the Company's capital management is to provide good returns to shareholders and benefits to other stakeholders, also to maintain an optimal capital structure in order to support asset management plan or investment opportunities which will create value and strengthen financial position for the Company. The Company has to maintain debt to equity ratio and certain debt service coverage ratio as specified in the agreements (see Note 15 and Note 17).

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Company has interest rate risk from its borrowings (see Note 15 and Note 17).

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for financial liabilities at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year and using an increase or decrease rate by considering the reasonably possible change in interest rates.

	Unit : Million Baht			
	2022		2021	
	Increase	Decrease	Increase	Decrease
As at December 31,				
Interest rates change by 1%				
Finance costs	2.34	(2.34)	3.15	(3.15)

Foreign currency risk

The Company has foreign exchange risk arisen from the fluctuation of foreign exchange rate from purchases of inventories for operation, which are denominated in foreign currencies, USD and AUD. The Company manages that risk by entering into forward foreign exchange contracts to hedge such financial liabilities denominated in foreign currencies that are recorded in the statement of financial position.

As at December 31, 2022 and 2021, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Unit : Baht	
	2022	2021
USD		
Financial liabilities	(58,626,922)	(41,627,247)
Gross statement of financial position exposure	(58,626,922)	(41,627,247)
Net foreign currency exchange contracts	51,111,319	31,011,644

	Unit : Baht	
	2022	2021
AUD		
Financial liabilities	(26,768,718)	(8,734,805)
Gross statement of financial position exposure	(26,768,718)	(8,734,805)
Net foreign currency exchange contracts	13,314,120	8,692,405

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in THB currency against USD currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, which were not hedged by forward exchange contracts and adjusts their translation at the year-end for a 10% change in foreign currency rates.

	2022		2021	
	Strengthens	Weakens	Strengthens	Weakens
Unit : Baht				
As at December 31,				
Exchange rate change by 10%				
Net gain (loss) on foreign exchange rate	2,369,881	(2,369,881)	1,039,610	(1,039,610)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the end of the reporting period, there were no significant concentrations of credit risk.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following tables detail the Company's remaining contractual maturity as at December 31, 2022 and 2021 for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Within 1 year	After 1 year but within 5 years	Over 5 years	Unit : Baht Total
As at December 31, 2022				
Bank overdrafts and short-term borrowings from a financial institution	58,791,591	-	-	58,791,591
Trade and other current payables	559,495,717	-	-	559,495,717
Long-term borrowings	102,765,106	72,042,023	-	174,807,129
Lease liabilities	6,149,104	8,300,287	-	14,449,391
Other current liabilities	541,764	-	-	541,764

	Within 1 year	After 1 year but within 5 years	Over 5 years	Unit : Baht Total
As at December 31, 2021				
Bank overdrafts and short-term borrowings from a financial institution	38,656,217	-	-	38,656,217
Trade and other current payables	453,247,081	-	-	453,247,081
Long-term borrowings	101,893,306	174,693,944	-	276,587,250
Lease liabilities	5,351,002	6,274,815	-	11,625,817
Other current liabilities	1,111,560	-	-	1,111,560

Determination of fair values of financial asset and financial liabilities

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

Financial assets and financial liabilities measured at fair value

Forward foreign exchange contracts are categorized into fair value measurements Level 2 based on the estimated discounted cash flow. The future cash flow are based on forward foreign exchange rate (from observable forward foreign exchange rate as of the reporting period) and forward foreign exchange rate contract discounted by the relevant market rate (see Note 9 and Note 19).

Financial assets at fair value through profit or loss - opened-end fixed income funds are categorized into fair value measurements Level 2 based on use of other observable inputs for such assets or liabilities, whether directly or indirectly (see Note 8).

Financial assets and financial liabilities not measured at fair value

Valuation technique for financial assets and financial liabilities not measured at fair value of the Company are as follows:

Cash and cash equivalents, trade and other receivables, financial assets at amortization costs - fixed deposit at bank maturity within 12 months and other current assets that are measured at amortized cost, the carrying amounts approximate their fair values due to the relatively short-term maturity of these financial instruments.

Bank overdrafts and short-term borrowings from a financial institution, trade and other current payables and other current liabilities that are measured at amortized cost, the carrying amounts approximate their fair values because of the short-term period to maturity of these financial instruments.

Long-term borrowings from a financial institution with floating interest rate and lease liabilities that are measured at amortized cost, the carrying amounts approximate their fair value.

25. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, consists of

	Unit : Baht	
	2022	2021
Raw materials, supplies and packages used	2,619,148,122	2,001,171,453
Salaries and other benefits	512,098,453	415,236,331
Depreciation and amortization	102,203,090	96,648,201
Utilities and transportations expenses	259,205,177	194,695,567
Remuneration of directors and key management	25,972,241	24,636,941

26. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to shareholders by the weighted average number of ordinary shares issued during the years.

For the years ended December 31,	2022	2021
Basic earnings per share		
Profit attributable to equity holders of the Company (Baht)	297,597,284	191,111,486
Weighted average number of ordinary shares (shares)	300,000,000	272,671,233
Basic earnings per share (Baht)	<u>0.99</u>	<u>0.70</u>

Weighted average number of ordinary shares as at December 31, 2022 and 2021 is calculated as follows:

	Unit : Shares	
	2022	2021
Number of ordinary shares as at January 1,	300,000,000	225,000,000
Weighted average number of ordinary shares issued during the year ended December 31,	-	47,671,233
Weighted average number of ordinary shares as at December 31,	<u>300,000,000</u>	<u>272,671,233</u>

27. RELATED PARTY TRANSACTIONS

Related parties are enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationships between the Company and related parties are as follows:

Company and related parties' name	Relationships
Thung Thong Prasobchoke Co., Ltd.	Director is key management personnel's close member of family
Key Management Personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly

The pricing policies for transactions are explained further below:

Transactions	Pricing policies
Revenue from sales	Contractually agreed prices
Directors' remunerations	The rate approved by the Board of Directors and shareholders

Significant balances between the Company and its related parties as at December 31, are as follows:

Account name/Company's name	Unit : Baht	
	2022	2021
Trade receivable - a related party (see Note 6)		
Thung Thong Prasobchoke Co., Ltd.	<u>465,986</u>	<u>400,051</u>

Significant transactions between the Company and its related parties for the years ended December 31, are as follows:

	Unit : Baht	
	For the years ended December 31,	
	2022	2021
Revenue from sales		
Thung Thong Prasobchoke Co., Ltd.	<u>4,073,828</u>	<u>3,550,122</u>
Remuneration of directors and executives		
Directors' remunerations	2,240,000	2,240,000
Management's remuneration - short-term benefits	22,680,000	21,340,750
Management's remuneration - long-term benefits	<u>1,052,241</u>	<u>1,056,191</u>
	<u>25,972,241</u>	<u>24,636,941</u>

28. OPERATING SEGMENT

The Company presented the segment financial information in respect of the Company under management approach. Operating segment is based on the Company's management, the management structure and internal reporting. The Company has two segments which are manufacturing and distribute all kinds of bakery segment and wholesaler of frozen and processed fish, aquatic products, meat, seaweeds and vegetables. However, wholesaler of frozen and processed fish, aquatic products, meat, seaweeds and vegetables segment does not meet the quantitative thresholds to present the operating segment. The Company operates in one geographical area which is Thailand. Therefore, revenue, profit and assets disclosed in the financial statements presented as operating segment.

Major Customers Information

For the years ended December 31, 2022 and 2021, the Company earns revenue from sales from a major customer totalling approximately 91% and 92%, respectively, of the Company's total revenue from sales.

29. PROVIDENT FUNDS

The Company established the provident fund in compliance with the Provident Fund Act B.E. 2530 on April 1, 2020. The fund is voluntarily joined by employees. Under the fund's regulations, the members contribute 2% to 10% of their monthly salary to the fund and the Company contribute 2% of such monthly salary. Such fund will be paid to the employees upon termination in accordance with the rules of the provident fund. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

For the years ended December 31, 2022 and 2021, the Company's contributions to the provident fund which were recorded as expenses in the statements of comprehensive income were Baht 1.29 million and Baht 1.11 million, respectively.

30. COMMITMENTS AND CONTINGENT LIABILITIES

- 30.1 As at December 31, 2022 and 2021, the Company has bank overdrafts which have not been drawn down from a local financial institution in the amount of Baht 30 million each year.
- 30.2 As at December 31, 2022 and 2021, the Company has credit limit for bills of exchange and/or promissory notes that have not been used with a local financial institution in the amount of Baht 210 million each year and has credit limit for letter of credit and/or trust receipt that have not been used with a local financial institution in the amount of Baht 91.21 million and Baht 51.34 million, respectively.
- 30.3 As at December 31, 2022 and 2021, the Company has credit limit for forward exchange contract that have not been used with local financial institutions in the amount of USD 1.42 million and Baht 50 million and in the amount of USD 0.02 million and Baht 50 million, respectively.
- 30.4 The Company entered into a trade agreement with a customer. The Company must comply with trade agreements as specified in the agreements within the specified period.

31. EVENT AFTER THE REPORTING PERIOD

- 31.1 On January 9, 2023, the Company entered into a shareholder's agreement to jointly establish a company with share capital of 6,000,000 shares at Baht 100 per share, totaling Baht 60 million. The Company has shareholding portion at 33.33%. Such company registered for establishment on January 16, 2023, and the Company has paid for share amounting to Baht 5 million.
- 31.2 On February 24, 2023, the Board of Directors' Meeting No. 1/2023 of the Company passed a resolution to propose to the Annual General Meeting for approving the dividend payment for the 2022 operating result at Baht 0.55 per share. The Company has already paid the interim dividend since September 8, 2022 at Baht 0.25 per share resulting in the remaining dividend will be paid at Baht 0.30 per share, amounting to Baht 90 million.

32. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Board of Directors of the Company on February 24, 2023.

Attachment 1

Profiles of Directors, Executives, Persons in Charge, Person taking the highest responsibility in finance and accounting, Person supervising accounting and Company Secretary as of 31 December 2022

Name and Surname / Position	Age (Yrs)	Education / Diploma / Training Course	Shareholding Proportion (%)	Relations with other executives / directors	Professional Experience		
					Duration	Position and Name of Agency / Company	Business Sector
1. Mrs. Suvimol Chrityakierne • Chairman of the Board • Independent Director	70	1. BA in Accountancy, Chulalongkorn University 2. MA in Accountancy, Chulalongkorn University 3. DCP 92/2550 (2007) 4. Diploma - Advanced Audit Committee Program (AACP) Batch 27/2560 (2017) by the Thai Institute of Directors	0.01%	None	2019 - Present	Independent Director and Chairman of the Board / NSL	Bakery / Food / Frozen Food
					2017 - Present	Independent Director and Audit Committee / Team Consulting Engineering and Management Public Co., Ltd.	Engineering Consultant
					2015 - Present	Independent Director and Chair of Audit Committee / Khonburi Sugar Public Co., Ltd.	Sugar Production and Distribution
					2010 - Present	Director / DIA International Audit Co., Ltd.	Auditing
					2002 - Present	Director / 75 CPE Co., Ltd.	Career and Law Seminar

Name and Surname / Position	Age (Yrs)	Education / Diploma / Training Course	Shareholding Proportion (%)	Relations with other executives / directors	Professional Experience		
					Duration	Position and Name of Agency / Company	Business Sector
					1990 - Present	Director / DIA Audit Co., Ltd.	Auditing
					1988 - Present	Director / Yongsomjai Co., Ltd.	Investment
					1979 - 2009	Managing Partner / DIA International Audit Co., Ltd.	Auditing
					1976 - 1979	Assistant Auditor / Jaiyos Audit	Auditing
					1975 - 1976	Assistant Auditor / Cathay Finance Co., Ltd.	Financial Institution
2. Assoc. Prof. Dr. Pannipa Rodwanna • Chairman of Audit Committee • Independent Director	69	1. BA in Accountancy, Chulalongkorn University 2. MA in Accountancy, Chulalongkorn University 3. M.S. Computer Information System, Assumption University 4. Ph.D. in Accountancy. Chulalongkorn University 5. Graduate Diploma in Auditing, Chulalongkorn University 6. DAP 167/2562 (2019)	None	None	2019 - Present	Independent Director and Chair of Audit Committee / NSL	Bakery / Food / Frozen Food
					2013 - Present	Special Instructor, Faculty of Commerce and Accountancy / Chulalongkorn University	Education
					2014 - 2015	Deputy Dean for Administration, School of Agricultural Resources / Chulalongkorn University	Education
					2008 - 2013	Associate Professor / Chulalongkorn University	Education

Name and Surname / Position	Age (Yrs)	Education / Diploma / Training Course	Shareholding Proportion (%)	Relations with other executives / directors	Professional Experience		
					Duration	Position and Name of Agency / Company	Business Sector
					2004 - 2008	Assistant Professor / Chulalongkorn University	Education
					1996 - 2004	Professor / Chulalongkorn University	Education
					1979 - 1996	Manager / P.A. Accounting and Lawyer	Auditing
					1975 - 1979	Professor / Bangkok University	Education
3. Mr. Chaiwut Jumnongsutasathien • Independent Director • Audit Committee	45	1. BA in Accountancy, Thammasat University 2. MA in Business Administration, Kasetsart University 3. DAP 161/2562 (2019)	0.02%	None	2019 - Present	Independent Director and Audit Committee / NSL	Bakery / Food / Frozen Food
					2018 - Present	Independent Director / Right Tunnelling Public Co., Ltd.	Geotechnical Construction and Civil Engineering Contractor
					2018 - Present	Audit Partner / AST Master Co., Ltd.	Auditing
					2016 - Present	Director / SM Lertpipat Co., Ltd.	Shoemaking
					1999 - 2017	Audit Director / Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.	Auditing

Name and Surname / Position	Age (Yrs)	Education / Diploma / Training Course	Shareholding Proportion (%)	Relations with other executives / directors	Professional Experience		
					Duration	Position and Name of Agency / Company	Business Sector
4. Mr. Anajak Limphaisan • Independent Director • Audit Committee	38	1. BA in Applied Statistics, Chulalongkorn University	None	None	2019 - Present	Independent Director and Audit Committee / NSL	Bakery / Food / Frozen Food
		2. BA in Laws, Ramkhamhaeng University			Jan 2021 - Present	Company secretary / Taokaenoi Food and Marketing Public Co., Ltd.	Snacks
		3. MA in Advanced Studies in International Tax Law (LL.M.), Leiden University			Oct 2020 - Present	Director in Legal Affairs / Taokaenoi Food and Marketing Public Co., Ltd.	Snacks
		4. DAP 165/2562 (2019)			2019 - Sep 2020	Deputy Managing Director for Management / Polynet Co., Ltd.	Rubber and Plastic
		5. DCP 292/2563 (2020)			2019	Director / Group M Thailand Co., Ltd.	Advertising and Entertainment
		6. CSP 115/2564 (2021)			2015 - 2019	Lawyer / Kudun and Partners Co., Ltd.	Law Firm
		7. ACPG 57/2564 (2021)			2008 - 2012	Legal Advisor / Tisco Financial Group Public Co., Ltd.	Financial Institution

Name and Surname / Position	Age (Yrs)	Education / Diploma / Training Course	Shareholding Proportion (%)	Relations with other executives / directors	Professional Experience		
					Duration	Position and Name of Agency / Company	Business Sector
5. Mr. Somchai Asavapiyanond • Director • President • Chariman of Executive Committee	62	1. B.Sc. in Food Science, Kasetsart University 2. MA in Business Administration, Thammasat University 3. DAP 157/2562 (2019)	71.67%	Mr. Charoen's Older Brother	2006 - Present	Director and President / NSL	Bakery / Food / Frozen Food
					2003 - 2018	Chairman and Managing Director / Dough Maker Co., Ltd.	Bakery
6. Mr. Weerachon Khaophong • Director • Executive Vice President	54	1. B.Sc., Srinakarinwirot University 2. MA in Environmental Management, National Institute of Development Administration (NIDA) 3. DAP 164/2562 (2019)	None	None	2020 - Present	Director and Executive Vice President / NSL	Bakery / Food / Frozen Food
					1999 - 2019	Managing Director / Q&A Quality and Calibration Co., Ltd.	Consulting and Training
					1991 - 1999	Head of Research / TOA Dovechem Industries Co., Ltd.	Chemicals
7. Mr. Charoen Asavapiyanond • Director • VP Operation	61	1. BEng on Textile Chemistry Engineering, Rajamangala University of Technology 2. DAP 157/2562 (2019)	0.00%	Mr. Somchai's Younger Brother	2010 - Present	Director and VP Operation / NSL	Bakery / Food / Frozen Food
					1983 - 2010	Director / Bae Cheng Chig Co., Ltd.	Textiles

Name and Surname / Position	Age (Yrs)	Education / Diploma / Training Course	Shareholding Proportion (%)	Relations with other executives / directors	Professional Experience		
					Duration	Position and Name of Agency / Company	Business Sector
8. Mr. Arkradej Liamcharoen <ul style="list-style-type: none"> Director Chief Financial Officer (CFO) Person taking the highest responsibility in finance and accounting 	62	1. BA in Business Administration and Accountancy, Ramkhamhaeng University 2. DAP 153/2561 (2018) 3. CFO's Orientation Course for New IPOs Batch 4	0.73%	None	2020 - Present	Director and CFO / NSL	Bakery / Food / Frozen Food
					1996 - 2019	Accounting and Tax Advisor / Freelance	Accounting and Tax
					1990 - 1996	Accounting Director / Mittraphap Product Public Co., Ltd.	Livestock
					1984 - 1990	Head of Audit / DIA International Audit Co., Ltd.	Auditing
9. Ms. Waewdao Tanavatsatiend <ul style="list-style-type: none"> VP Commercial - Export & Food Services 	51	1. BA in General Management, Assumption University 2. MA in Marketing Program (MIM), Thammasat University	0.03%	None	2019 - Present	VP Commercial - Export and Food Services / NSL	Bakery / Food / Frozen Food
					2014 - 2019	Commercial Director / Quality Food Specialty Co., Ltd.	Fish, Seafood, and Seaweed (Frozen and Processed) Wholesaler
					2011 - 2013	Sales & Marketing Director / Pan Food Co., Ltd.	Import / Export

Name and Surname / Position	Age (Yrs)	Education / Diploma / Training Course	Shareholding Proportion (%)	Relations with other executives / directors	Professional Experience		
					Duration	Position and Name of Agency / Company	Business Sector
					2009 - 2011	Sales & Marketing Director / S. Khonkaen Foods Public Co., Ltd.	Food Production
					2005 - 2009	Sales & Marketing Director / Narai Interfood Co., Ltd.	Frozen Delicatessen Production and Distribution
					2003 - 2005	Business Advisor / Australian Trade and Investment Commission (Austrade)	Australian Government Agency
					2001 - 2003	Area Sales Manager / Plan Toys Co., Ltd.	Toys Manufacturing and Export
					1998 - 2001	International Sales Section Manager / BST Elastomers Co., Ltd.	Synthetic Rubber Manufacturing and Distribution
					1994 - 1998	Executive Sales and Area Supervisors / Ekarat Transformer Part Co., Ltd.	Transformer Factory

Name and Surname / Position	Age (Yrs)	Education / Diploma / Training Course	Shareholding Proportion (%)	Relations with other executives / directors	Professional Experience		
					Duration	Position and Name of Agency / Company	Business Sector
10. Mr. Visut Pornsalanu wattana ³ • VP Commercial - Brand & Business Development	48	1. BA in Business Administration (Marketing), Ramkhamhaeng University 2. EMBA, University of the Thai Chamber of Commerce	None	None	2021 - Present	VP Commercial - Brand & Business Development / NSL	Bakery / Food / Frozen Food
					2011 - 2020	Commercial Director / Foodstar Co., Ltd.	Fruit Juice Production and Distribution
					2007 - 2011	Sales & Marketing Director / Nguan Chiang Food Industry Co., Ltd.	Seasonings
					2005 - 2007	General Manager / Blue Ribbon Advertising Co., Ltd.	Advertising Agency
					1998 - 2004	Group Product Manager / Dutch Mill Co., Ltd.	Dairy Products

Name and Surname / Position	Age (Yrs)	Education / Diploma / Training Course	Shareholding Proportion (%)	Relations with other executives / directors	Professional Experience		
					Duration	Position and Name of Agency / Company	Business Sector
11. Mrs. Jariya Musigchai • Company Secretary • Accounting and Finance Manager • Person supervising accounting	36	1. BA in Business Administration (Accountancy), Srinakarinwirot University	0.10%	None	2018 - Present	Accounting and Finance Manager and Company Secretary / NSL	Bakery / Food / Frozen Food
		2. MA in Business Administration (Accountancy), Rajamangala University of Technology Rattanakosin			2009 - 2017	Manager / Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.	Auditing
		3. Company Secretary Program (CSP) Batch 105/2020					
		4. Statutory Accountant with Complete Continuing Professional Development (CPD)					

1. The shareholding proportion shows both direct and non-direct shareholding
2. Directors who are authorized to sign documents on behalf of the Company consist of 3 Directors, namely Mr. Somchai Asavaplayanond, Mr. Charoen Asavaplayanond and Mr. Weerachon Khaophong.
Two in three of the said Directors could sign and seal the documents on behalf of the Company.
3. Assume the position on 1 January 2021

Attachment 2

Details and Profile of the Company's Head of Internal Audit and Head of Compliance

Head of Internal Audit

NSL employs an external agency to conduct internal monitoring and evaluation of the internal audit system at every level and process, from company-level control to risk management. This is to ensure that the internal control and risk management systems, as well as the compliance system of NSL suffice and achieve the predetermined objectives. To this end, the Board of Directors appointed Unique Advisor Co., Ltd. ("Unique") as internal auditor from 1 April 2020 to 31 December 2022, with the role also including following up on the adjustments and modifications as recommended. The profile of the Head of Internal Audit is as follows;

Company	Unique Advisor Co., Ltd.
Person appointed as Head of Internal Audit	Mr. Kosol Yamleemul
Position	Head of Internal Audit
Education and Qualifications	<ul style="list-style-type: none">• M.Sc. in Information Technology in Business, Chulalongkorn University• BA in Commerce and Accountancy, Thammasat University• Certificate for Business Advisor, Kasetsart University• Certificate of Real Estate Entrepreneur, Kasetsart University• Certified Public Accountant (CPA) License No. 4575• Certified Internal Auditor (CIA)• Certified Financial Service Auditor (CFSA)
Training courses	<ul style="list-style-type: none">• Orientation Course - CFO Focus on Financial Reporting Class 4/2018• Training Course for Independent Auditors in Auditing Reference Documents of SMEs - CAC SME Certification• Intra-Organizational Anti-Corruption Working Paper Course• COSO 2013 Course (Theory and Practice)• IT Audit Course by the Federation of Accounting Professions (FAP)

	<ul style="list-style-type: none"> • Internal Audit Course by the Institute of Internal Auditors (IIA) Thailand • Course on Tax and Tax Planning • Consecutive Course on Financial Reporting and Auditing Standards • Standard Course on Improved Accounting Standards • Course on Auditing and Software-assisted Auditing • Advanced COSO ERM • Course for Financial Advisors by the Association of Thai Securities Companies (ASCO) 	
Professional Experience	<ul style="list-style-type: none"> • 2013 - Present • 2012 - 2013 	President, Unique Advisor Co., Ltd. Partner and Director, Grant Thornton Co., Ltd.

Head of Compliance

The position of Head of Compliance has been given to the Company Secretary, with the roles including supervising and coordinating with every department to ensure compliance with the relevant law, regulations, requirements, rules, resolutions of the Board of Directors' Meeting and Shareholders' Meeting, as well as the policies concerning good corporate governance and business ethics (the details and profile concerning education, qualifications and professional experience of the Head of Compliance could be found in Attachment 1 Details and Profile of the Company's Directors, Executives, Persons in Charge, Person taking the highest responsibility in finance and accounting, Person supervising accounting and Company Secretary).

Attachment 3

Corporate Governance Policy, Code of Conduct, and Charters of the Board of Directors and Sub-committees

The details appear on the Company's website:

<https://investor.nslfoods.com/en/corporate-governance/corporate-governance-policy>



NSL FOODS

The Happy Taste Creator

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