



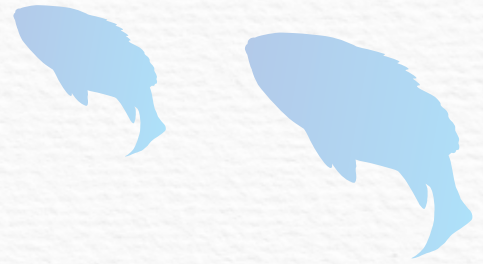
THAI-OWNED FEED
SOLUTION FOR GLOBAL
FOOD SECURITY



Annual
Registration
Statement /
Annual Report
2021

(Form 56-1 One Report)

Thai Union Feedmill Public Company Limited





Content

Message from the Chairman	4
Message from the Chief Executive Officer	6
Financial Highlights	8
Board of Directors	10

Part 1 Business Operations and Performance

• Policy and Business Overview	13
• Nature of Business	28
• Risk Management	58
• Business Sustainability Development	67
• Management Discussion and Analysis	81
• General Information and Other Material Facts	88

Part 2 Corporate Governance

• Corporate Governance Policy	91
• Corporate Governance Structure	93
• Report on Key Operating Results Related to Corporate Governance	108
• Internal Control and Related Party Transactions	115



We commit to develop
the production of
aquaculture feed with
good quality for
sustainable fishery
production.

Part 3 Financial Statements

• Board of Directors' Responsibility for Financial Reporting	140
• Independent Auditor's Report	141
• Financial Statements	149
• Notes to the Financial Statements	153

Attachment

• Attachment 1	196
Summary of Profile of the Directors, Managements Team, Controlling Person, Person Taking the Highest Responsibility in Finance and Accounting (CFO), Person Supervising Accounting and Company Secretary	
• Attachment 2	217
The Details of Subsidiaries Directors	
• Attachment 3	218
The details of Head of Internal Audit	
• Attachment 4	219
Corporate Governance Policy and Code of Conduct	
• Attachment 5	220
Audit Committee Report	

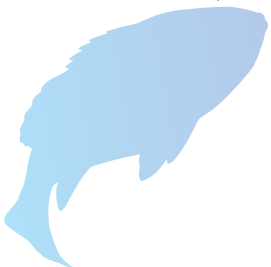
Message from the Chairman

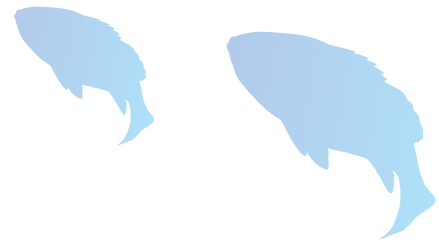


In 2021, the Company became a listed company in the Stock Exchange of Thailand and the trading of “TFM” began on 29 October 2021. With over 20 years of expertise and experience, along with the readiness in terms of human resource, funding, and access to new innovation to enhance competitiveness and elevate the overall industry, the Company is capable of producing quality and consistent products with good average daily gain seen in aquatic animals. The Company has been producing a wide range of products that correspond to every step of aquaculture activities at competitive prices. These have resulted in the Company’s products and brands gaining consumers’ trust through the years. Moreover, the Company is committed to applying expertise, production techniques and new innovations in the development of new aquaculture feed products or certain products made for specific purposes. For instance, the Company has been the pioneer in using

instant feed pellets in breeding and raising snappers. We have also come up with new feed formula such as aquaculture feeds that reduce the amount of fish meal and fish oil, and feeds for gourami and crab. At the same time, the Company always takes into consideration sustainable business practices in all aspects including the environment, society or corporate governance. This can be seen, for example, in our choice of raw materials. All of them have been legally certified.

The year 2021 was another challenging year in the Company’s operations. It was a difficult year for everyone due to the COVID-19 pandemic which changed the people’s way of life all over the world. The Company has inevitably been affected as well. We have had to cope with the rise in prices of raw materials for aquaculture feeds which reached a 10-year high. This resulted in the Company’s performance in 2021 reaching a 10-year low. However, as the COVID-19 pandemic eases, the global economy will recover and the performance, in turn, will be back to normal.





From now on, please rest assured that we will continue our dedication and focus on operating a business based on good corporate governance, and transparent and accountable management, to become a leader in aquaculture feeds industry that will continue to grow in a sustainable manner.



In 2022, the Company will start to realize revenue from our subsidiaries abroad, both the PT Thai Union Kharisma Lestari (TUKL) in Indonesia and AMG-Thaiunion Feedmill (Private) Limited in Pakistan that the Company has made investment earlier. These will drive the Company's performance. The global economic recovery will bring up the seafood consumption demand. This goes hand-in-hand with the growth of the Company's aquaculture feed business where the Company has a plan to develop a variety of animal feed products with a view to expand the market to even more diverse groups of customers. Furthermore, the Company has plans to expand our business abroad, focusing on places where there is high potential for growth of the aquaculture industry.

As the Chairman of the Board of Directors, I wish to sincerely thank the Board of Directors, the Executive Team and all employees who have devoted their efforts in driving and developing the organization to the best of their abilities with

the steadfast commitment to overcome any challenges. I also wish to thank our customers, partners, shareholders, financial institutions, and all other stakeholders that have put your faith and confidence in the Company. From now on, please rest assured that we will continue our dedication and focus on operating a business based on good corporate governance, and transparent and accountable management, to become a leader in aquaculture feeds industry that will continue to grow in a sustainable manner.

Mr. Rittirong Boonmechote

Chairman



Message from the Chief Executive Officer

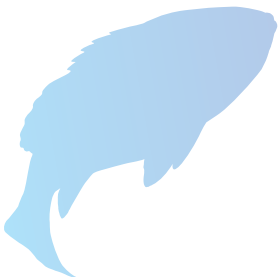


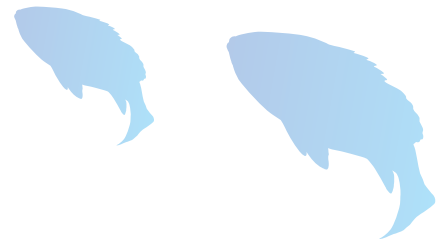
In 2021, the Company saw better performances compared to the previous year. Sales were at THB 4,773.1 million an increase of 14.1 percent. However, due to the COVID-19 pandemic which affected consumption and the rise in raw material costs, reaching a 10-year high, the Company's gross profit margin and net profits decreased year-on-year. Despite these difficult circumstances, the able team of executives and employees have helped the Company to keep up its good performance.

Moreover, in 2021, the Company has successfully been listed in the Stock Exchange of Thailand under the name "TFM". This is a welcoming challenge for the executive team in generating returns for shareholders.

In terms of business operations abroad, AMG-Thaiunion Feedmill (Private) Limited or (AMG-TFM), which began its operation in April, generated profits for the Company immediately. The positive response has propelled the production to run at full capacity in the first quarter of its operation. The production capacity was duly expanded in September 2021.

In Indonesia, the operations of PT Thai Union Kharisma Lestari (TUKL) have been delayed due to the COVID-19 pandemic causing disruption to the operations and shipping activities. It is expected that TUKL will be able to commercially operate in January 2022. It will be an important component that will help the Company to leapfrog in the future. This is because Indonesia ranks among the top of the world in terms of its fishery products. Indonesia also has the right to export shrimps to the European Union.





The Company remains committed in producing quality aquaculture feeds for sustainable business operations. Together with good relations with partners and expertise in aquaculture feed business, the Company has been in operation for more than 21 years.



The Company remains committed in producing quality aquaculture feeds for sustainable business operations. Together with good relations with partners and expertise in aquaculture feed business, the Company has been in operation for more than 21 years. We will continue to research and develop higher quality animal feeds and expand our product lines to cover other aquatic animals that are crucial to the Thai economy.

The year 2021 was another challenging year and a big milestone for the Company. All the success could not happen without the dedication of the team of executives

and employees. Collectively, we have maintained the Company's strength and competitiveness in the conduct of our business. I wish to thank all stakeholders, including customers, partners, shareholders, and financial institutions for their unfaltering support throughout the years. Please rest assured that the Company will continue our devotion and commitment to become the leader in animal feeds, producing and distributing quality products always.

A handwritten signature in blue ink that reads "B. Sorajjakit".

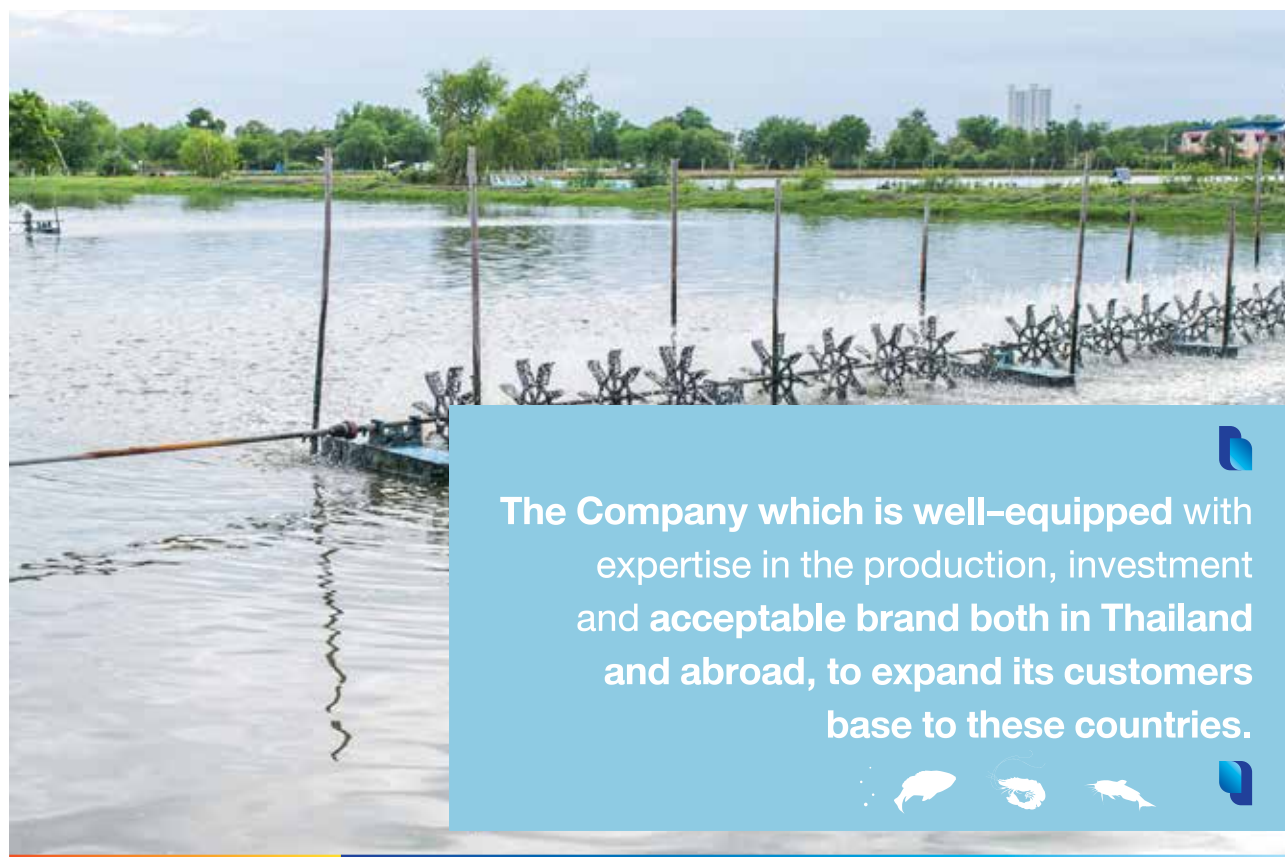
Mr. Bunluesak Sorajjakit
Chief Executive Officer



Financial Highlights

Sales	Revenue	Cost of Sales	Gross Profit
Unit: THB mn	Unit: THB mn	Unit: THB mn	Unit: THB mn
4,773.10	4,833.96	- 4,278.23	494.87
2021	2021	2021	2021
4,183.81	4,244.47	-3,489.52	694.29
2020	2020	2020	2020
Change 14.1%	Change 13.9%	Change 22.6%	Change -28.7%

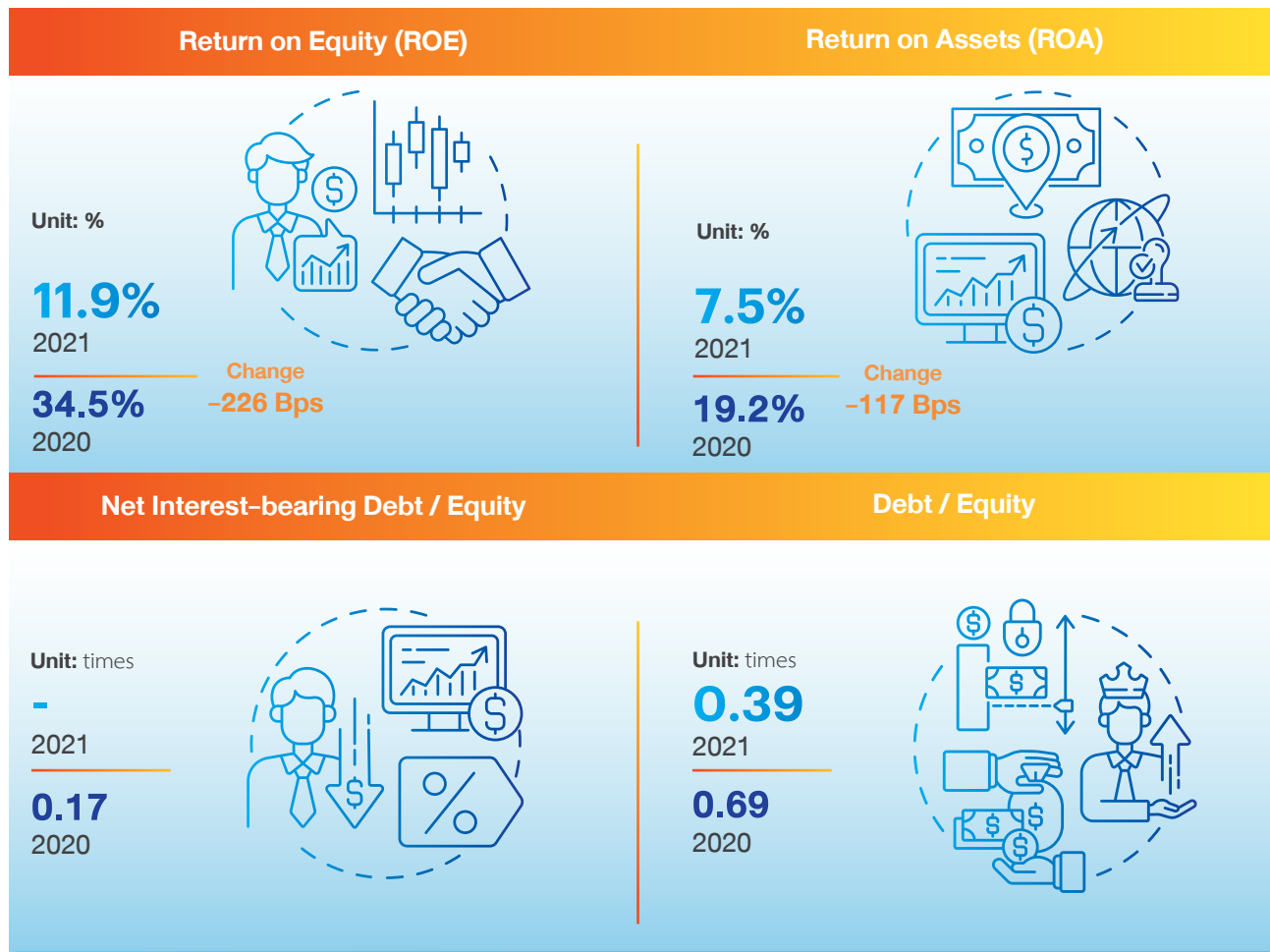
Gross Profit Margin	Net Profit Attributed to Shareholders	Net Profit Margin	EPS
Unit: %	Unit: THB mn	Unit: %	Unit: THB
10.4%	211.50	4.4%	0.50
2021	2021	2021	2021
16.6%	411.69	9.7%	1.00
2020	2020	2020	2020
Change -620 Bps	Change -48.6%	Change -539 Bps	Change -50.0%



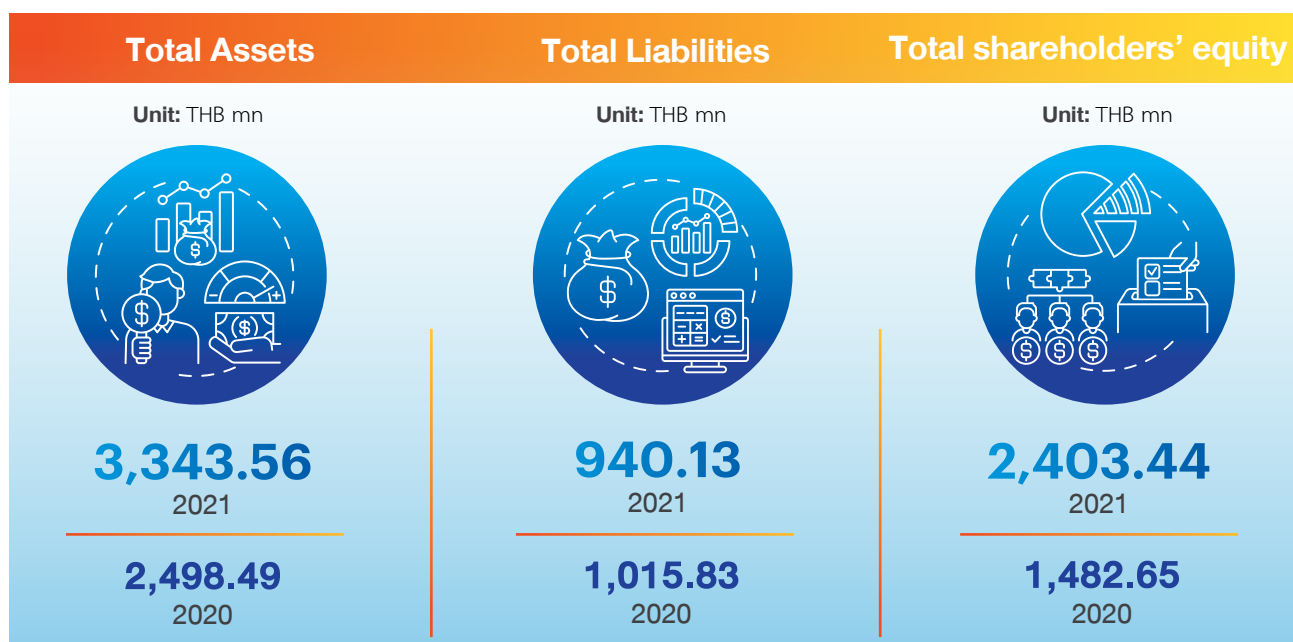
The Company which is well-equipped with expertise in the production, investment and acceptable brand both in Thailand and abroad, to expand its customers base to these countries.



Key Financial Ratios



Consolidated Financial Position



Board of Directors



1. Mr. Rittirong Boonmechote

Chairman of the Board of Directors /
Chairman of the Executive Committee



2. Mr. Cheng Niruttinanon

Director



6. Mr. Kanit Vallayapet

Director



7. Mrs. Rachadaporn Rajchataewindra

Chairman of the Audit Committee /
Independent Director



3. Mr. Thiraphong Chansiri

Director /
Member of the Executive Committee

4. Mr. Chan Shue Chung

Director

5. Mr. Bunluesak Sorajjakit

Director /
Member of the Executive Committee /
Chief Executive Officer



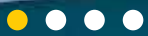
8. Dr. Somchai Thaisanguanvorakul

Member of the Audit Committee /
Independent Director

9. Mrs. Morragot Kulatumyotin

Member of the Audit Committee /
Independent Director

1



Business Operations and Performance



To be the producer of the best
aquaculture feeds for sustainable
business operations.



Policy and Business Overview

1.1 Vision and General Overview

1.1.1 Overview

Thai Union Feedmill Public Company Limited (“**the Company**”) produces and distributes animal feeds. The Company is one of the well-known producers and distributors of aquaculture feeds in Thailand. The main products are shrimp and fish feeds (including frog and crab feeds)¹ and livestock feeds. The Company was established by the Thai Union Group Public Company Limited (“**TU**” or “**TU Group**” when referred to Thai Union Group Public Company Limited and its affiliates), the Boonmechote family, and several other shareholders. The shareholders saw opportunities in the business of aquaculture feeds which are crucial for the aquaculture industry, one of the important sectors in the Thai economy², making it a significant element that influences the well-being of Thai people. They thus invested and set up the Company on 29 June 2000 as a flagship company of TU Group in the production and distribution of aquaculture feeds. On 20 February 2019, the Board of Directors of TU approved TU’s investment in industries related to aquaculture feeds and determined that the Company would become a flagship company of TU Group in this endeavor.

With over 20 years of expertise and experience, and the readiness in terms of human resource, funding, and access to new innovations to improve competitiveness and enhance the industry in general, the Company has consistently been able to produce good quality products for aquatic animals. Products are diverse and comprehensive for the whole life cycles of aquaculture at affordable prices. These have enabled the Company’s products and brands to gain trust and confidence of customers. Moreover, the Company has applied new expertise, production techniques, and innovation to develop new types of aquaculture products or products with specific qualities. For instance, the Company was a pioneer in using ready-made pellet feeds for the breeding of seabass, as well as coming up with new production formula, such as the formula of aquaculture feeds that reduces the amount of fish meal and fish oil used, as well as the formula to produce feeds for gourami and crab.

Currently, the Company has two production plants, namely (1) **Mahachai Plant** which is located in Mueang District,



¹ The Company’s aquaculture feeds can be categorized into two categories based on the features of each feed namely (1) shrimp feeds (sinking pellets) (2) fish feeds (including frog and crab feeds) (floating pellets except some types of fish feeds). Revenue from the sales of frog and crab feeds amounted to 4.2 – 7.6 percent of the total revenue of fish feeds during 2019-2021.

² Based on data from the Office of the National Economic and Social Development Council (NESDC), the GDP of Thailand’s fishery sector in 2018 was approximately THB 112,611 million.



The Company is committed to applying expertise, production techniques and new innovations in the development of new aquaculture feed products or certain products made for specific purposes.



Samut Sakhon Province. It is the head office; and (2) **Ranot Plant** which is located in Ranot District, Songkhla Province. The locations of the plants are appropriate for the production of aquaculture feeds as they are in the central and southern parts of Thailand which are the regions where there are aquaculture farms. Naturally, shipping costs are reduced. Moreover, having two plants in two parts of the country are also beneficial in reducing the risks from an incident that may cause one plant to become dysfunctional or deficient in terms of their production capabilities.

Moreover, as there is intense competition in the shrimp and fish feeds industry domestically due to the shipping costs, the Company has entered into partnerships with three partners abroad to expand the market outside Thailand, namely:

(1) In 2003, AVANTI Feeds Limited (“**AVANTI**”)³, a major producer of shrimp feeds in India, which was one of the 500 largest companies in the country in 2020⁴, became a partner in which the Company entered into a contract on technical cooperation and permission for AVANTI to use the Company’s tradename and production formula for the sales of shrimp feeds in India (“**Technical**

Collaboration Agreement”). This was to enhance AVANTI’s competitiveness in the aquaculture feeds production and distribution in India. It was also beneficial for the Company to expand its business in India.

(2) In 2018, the Company expanded its business to Indonesia by investing in a strategic partner to establish a subsidiary, PT Thai Union Kharisma Lestari (“**TUKL**”) to produce and distribute aquaculture feeds in Indonesia. There are two groups of strategic partners, namely (1) local partner, PT Maxmar Summa Kharisma (“**PTMSK**”), a major company which produces frozen and processed food and (2) AVANTI and Srinivasa Cystine Private Limited (“**Srinivasa**”), a company owned by shareholders of AVANTI (collectively called “**AVANTI Group**”). The Company, PT MSK and AVANTI Group held shares in TUKL at the proportions of 65.0, 25.0 and 10.0 percent of the registered and paid-up capital of TUKL respectively. TUKL has the capacity to produce 36,000 tons of shrimp feeds per year. Currently, the plant construction, installation of machineries and test run have been completed. TUKL has started its commercial endeavors with revenues started to be realized in the first quarter of 2022.

³ TU, a major shareholder of the Company, also holds shares in AVANTI in the proportion of 24.2 of AVANTI’s registered and paid-up capital as of 31 December 2021 (including proportions of direct and indirect shareholdings).

⁴ Ranking by Fortune Magazine (source: AVANTI’s Website as of 12 August 2021).

(3) In 2021, the Company invested in the establishment of a subsidiary in Pakistan, namely AMG-Thaiunion Feedmill (Private) Limited (“AMG-TFM”) to produce and distribute aquaculture feeds in Pakistan. The strategic partner is the AMG Group⁵, one of the major aquaculture feeds companies in Pakistan. The Company and AMG Group invested in the proportions of 51.0 and 49.0 percent of the registered and paid-up capital of AMG-TFM respectively. The Company and AMG Group have paid for their shares in AMG-TFM in accordance with their shareholding proportions in June and August 2021,

totaling PKR 300.0 million. Therefore, as of 31 August 2021, AMG-TFM had paid-up capital of PKR 300.0 million (or approximately THB 60.7 million) (of this, the value of the Company’s investment was PKR 120.5 million or approximately THB 31.0 million)⁶. As of 31 December 2021, AMG-TFM had the capability of producing fish feeds of 10,000 tons a year. At the moment, AMG-TFM has started its commercial ventures with revenues and net profits starting to be realized in the second quarter of 2021.

1.1.2 Vision, Mission and Values of the Company



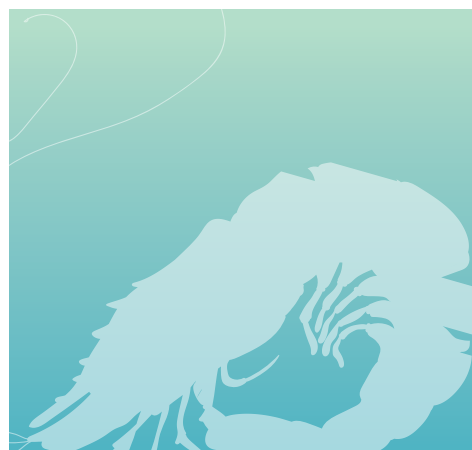
Vision

To be the producer of the best aquaculture feeds for sustainable business operations.



Mission

1. Emphasize the details of each step of the work process and improve on it to achieve the highest level of efficiency and customer satisfaction.
2. Continuously conduct research and development to have the best products and services for customers.
3. Generate sustainable benefits with customers, trade partners, employees, and shareholders.



⁵ AMG Group consists of (1) Mr. Nabeel Akhtar Chadhry (2) Mr. Tanveer Faqir Muhammad (3) Ms. Parveen Akhtar (4) Mr. Jahanzeb Khawaja (5) Mr. Ibad Hussain (6) Mr. Malik Nisar Ahmed (7) Mr. Muhammad Amir Javed and (8) Mr. Abid Hussain.

⁶ Actual Foreign Exchange Rate (source: the Company’s financial statements).

1.2 Strategies and Business Approaches

The Company has three key strategies and business approaches:

(1) Maintaining and Developing the Leadership of the Production and Distribution of Aquaculture Feeds Domestically

- 1.1 Cooperate with animal feed retailers while exploring new potential retailers to expand distribution channels in a comprehensive manner.
- 1.2 Support the growth of existing aquaculture breeding farms.
- 1.3 Look for new customers who are aquaculture breeding farms.

(2) Improving Product Quality and Production Efficiency to Enhance Competitiveness Sustainably

The Company emphasizes the development of the quality of products and production efficiency through research and development. The Company continues to develop and improve on its formula and production process to create difference and elevate qualities of products, together with investing and looking for new production technology and innovation as well as approaches to develop the production process and efficiency. These are in order to develop the production process and the efficiency of production to further enhance competitiveness to become a leading company in the business of aquaculture feeds.

2.1 Focus on the Development of Products and Feed Formula to Enhance Competitiveness within the Industry

The Company determines processes of studies, researches and development of products and feed formula in a systematic manner. The study begins in the laboratory, before going on to trials to ensure the outcome of the use of new formula. The research and development will discuss; **(1) the development to increase efficacy of aquaculture feeds of the Company when measured against the growth of aquatic animals** which are average daily gain (ADG), feed conversion ratio (FCR), and survival rate. Examples of the products developed by the Company include brand “PROFEED TURBO” and “PROFEED” for giant tiger prawn feed and “NANAMI” for vannamei feed; **(2) Development of new formula for aquaculture feeds** to promote the breeding of various aquatic



animals. In the past, the Company has come up with new formula for aquatic animals such as feeds for giant sea bass, grouper, gourami, crab, and redtail catfish. The Company is one of a few companies that can produce feeds for young aquatic animals which need to have particularly small pellets, thanks to the research and development efforts of the Company. Moreover, at present, the Company is in the process of developing feeds for other aquatic animals such as sea crabs, shrimp breeders, and young shrimp; **(3) Development of feed formula using new raw materials** to reduce the reliance on any particular raw material and raw material costs. This includes the use of plant protein and reduction of the use of fish oil.

2.2 Develop Work Process to be Efficient and in Accordance with International Standards

The Company has emphasized the continued improvement of its work process by applying modern technology in the process, for instance the use of automated production line to produce products precisely and be able to trace the production throughout the process, the investment in technology to manage the Company’s inventory automatically such as the use of robots to move and arrange products, as well as the use of application to manage inventory. This is to ensure accurate, precise, and accountable information.

In terms of the quality of work process, at present, the Company is one of the producers of aquaculture feeds that have been certified in Best Aquaculture Practices (BAP) from Global Aquaculture Alliance (GAA). The BAP asks producers involved with aquatic animals to be responsible for society and the environment as well as to care for the safety of feeds with the requirement for traceability. The Company has passed standards and won several awards such as ISO 9001, ISO 14001, ISO 45000, Good Manufacturing Practice (GMP), Hazard Analysis and Critical Control Point (HACCP) from the Department of Livestock Development and the Department of Fisheries, Ministry of Agriculture and Cooperatives. The Company has also been in the list of producers of aquaculture feeds registered in the Food and Drug Administration (FDA) of the USA.

(3) Expansion of Customers' Base to Countries with Potential to Growth

Currently, aquaculture industry of other countries in Asia, such as Indonesia, Sri Lanka, Pakistan, and Myanmar is at an early stage with a lot of potential to grow. This presents a good opportunity for the Company which is well-equipped with expertise in the production, investment and reputable and acceptable brand both in Thailand and abroad, to expand its customer base to these countries. The Company takes a careful approach to expanding its business abroad, where the executives and the Board of Directors are to thoroughly consider the proposed ventures. Factors that are taken into consideration include the possibility of investment, the expected returns, risks, together with risk management or risk reduction, relevant law, as well as possible conflict of interests



that may arise from the investment. The Company has a number of ways to expand its business including exporting products to abroad which is what the Company has done in Malaysia and Sri Lanka, or cooperate with local partners for countries with potential and worthwhile markets and/or with good prospect of growth and local partners that can support the growth of the Company's business. The Company may also make investment in establishing production plants which will help increase competitiveness and reduce shipping costs. At present, the Company has cooperated with local partners in expanding its business and establish production plants in Indonesia and Pakistan.



1.3 History and Key Milestones

The Timeline of Key Milestones of the Company is as Follows:

2000



Registered to Establish the Company to Produce and Distribute Shrimp Feeds, and Acquired the Business of Production and Distribution of Shrimp Feed from Aqua Star Company Limited

- TU and the Boonmechote family registered and established the Company with the registered and paid-up capital of THB 80.0 million with 8.0 million shares at the par value of THB 10.0 per share. The purpose was to produce and distribute shrimp feeds.
- The Company acquired the business of production and distribution of shrimp feeds as well as land, plants and brands “PROFEED” “AQUAFEED” and “SEAFEED” and all related licenses for the conduct of business and/or possession of assets from Aqua Star which was an external party and not considered to be an entity that may be in conflict with the Company.
- The Company had only one location for the Head Office and Production Plant at No. 103/1 Moo 2, Songkhla-Ranot Road, Pak Trae Sub-District, Ranot District, Songkhla Province (Ranot Plant).
- The Company produced and distributed shrimp feeds under the brands “PROFEED” and “AQUAFEED”.

Increased Paid-up Capital, Built an Additional Plant, Changed the Location of the Company’s Head Office, and Began Expanding Business to Malaysia

- The Company registered on increasing of paid-up capital from THB 80.0 million with 8.0 million shares to THB 200.0 million, with 20.0 million shares at the par value of THB 10.0 per share.
- The Company built another plant at No. 89/1, Moo 2, Rama II Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000 (Mahachai Plant) to accommodate the expansion of production capacity from 24,000 tons per year to 73,000 tons per year. The Company changed the location of its head office from Ranot Plant to Mahachai Plant.
- The Company began exporting products abroad to Malaysia.



2001



2003



Entered into a Technical Collaboration and Tradename Licensing Agreement to Use the Company’s Tradename with a Partner in India (AVANTI)

The Company became a partner of AVANTI by entering into a Technical Collaboration and Tradename Licensing Agreement for AVANTI to distribute shrimp feeds in India and export shrimp feeds using the production formula and tradename “PROFEED” and “NANAMI” for vannamei. (AVANTI sold the products under the tradename “MANAMEI”).

2006



Expanded Business to Include the Production and Distribution of Fish Feeds

- The Company increased the registered and paid-up capital from THB 200.0 million with 20.0 million shares to THB 300.0 million, with 30.0 million shares at the par value of THB 10.0 per share.
- The Company made amendments in its objective of business operations from “Production and distribution of shrimp feeds” to “Production and distribution of shrimp feeds, fish feeds, livestock feeds, and other animal feeds”.
- The Company began the production and distribution of freshwater fish feeds under the brands “PROFEED”, “NANAMI” and “ONIL”. These include nila tilapia feeds, catfish feeds, and red tilapia fish.



Expanded Business to Include the Production and Distribution of Snapper Feeds

The Company began expanding its business to include the production and distribution of seawater fish feeds namely snapper feeds under the brand “PROFEED”. The Company was among the first in Thailand to pioneer the snapper feed industry.



2007



2010



Increased the Paid-up Capital

The Company registered on increasing of paid-up capital from THB 300.0 million with 30.0 million shares to THB 500.0 million, with 50.0 million shares at the par value of THB 10.0 per share.

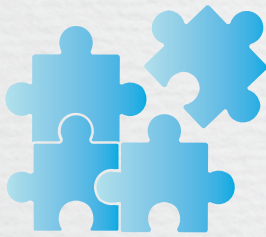
Joint Venture in TMAC Company Limited (“TMAC”)

The Company cooperated with Mitsubishi, an international trading firm, to establish a joint venture, TMAC to invest and hold shares in shrimp farms and shrimp breeding farms. The Company and Mitsubishi hold shares in TMAC in the proportions of 51.0 and 49.0 percent of the registered and paid-up capital respectively. While TMAC did not operate the same business as the Company, TMAC was in an upstream industry as the Company. At the time, TU permitted the Company to invest in TMAC.



2011

2018

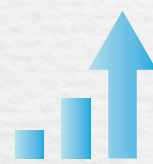


Restructuring the Shareholding , Increased the Paid-up Capital, and the Restructuring of the Company's Affiliates

- In April 2018, TU bought 6.0 million shares of the Company or 12.1 percent of the registered and paid-up capital at the price of THB 78.4 per share from minority shareholders. This resulted in the change in proportion of the Company's shares held by TU from 51.0 percent to 63.1 percent of the registered and paid-up capital.
- The 2018 Annual General Meeting of Shareholders (AGM) on 4 April 2018, the Company resolved to increase the registered and paid-up capital by THB 320 million. The share totaling 32.0 million shares, each had the price of THB 10.0 was allocated to existing shareholders of the Company in accordance with the Right Offering ("RO") at the rate of THB 10.0 per share. After RO, the Company had a total registered and paid-up capital of THB 820.0 million. This was constituted of 82.0 million shares categorized as common share. Each share was priced at THB 10.0. Since some shareholders did not exercise their entitled rights to buy shares, TU bought additional shares in accordance with its own proportion and the remaining shares from the allocation in order to ensure that the Company received the fund expected during the increase of registered and paid-up capital. The proportion of TU's shareholding in the Company thus increased from 63.1 percent to 66.9 percent of the registered and paid-up capital of the Company.
- In May 2018, the Company entered into a shareholder agreement to invest and establish the Company's subsidiary in Indonesia, TUKL, together with PT MSK and AVANTI (consisted of AVANTI and Srinivasa) to determine the rights, power and duties of each party of shareholders. The Company, PT MSK, and AVANTI Group had their proportions of investment as 65.0 percent, 25.0 percent, and 10.0 percent of the registered and paid-up capital of TUKL respectively.
- In August 2018, the Company entered into an agreement on sales of investment in TMAC to TU, in the amount of THB 31.6 million.
- In August 2018, the Company, PT MSK and AVANTI Group had already paid for shares in TUKL for the first time totaling IDR 39,984 million (or approximately THB 92 million, based on the exchange rate on 23 Aug 2018, IDR 434.8 = THB 1⁷).

Expansion of the Business to Livestock Feeds and Transformation into a Public Company Limited, Increased the Paid-up Capital, Additional Investment in TUKL, and Sale of Land which is Considered a Non-core Operating Asset

- At the beginning of 2019, the Company expanded its business into the production and distribution of livestock feeds, including poultry and pig feeds to increase business opportunities of the Company. At the same time, this also increased the utilization rate of the Company's machineries.
- The Extraordinary General Meeting of Shareholders No. 2/2019 on 24 May 2019 decided on the following:
 - Approved the transformation of the Company into a public company limited. The name of the Company was changed to Thai Union Feedmill Public Company Limited. (The Company registered its transformation from a limited company to a public company limited and changed its name on 4 June 2019).
 - Changed the par value of the Company's share from THB 10.0 per share to THB 2.0 per share. This resulted in the increase of the Company's share from 82.0 million shares to 410.0 million shares.
 - Increased the registered capital totaling 90.0 million shares. This increased the Company's registered capital from 410.0 million shares to 500.0 million shares, at the par value of THB 2.0 per share.
- In April 2019, the Company, PT MSK and AVANTI Group paid for shares in TUKL for the second time totaling IDR 93,256 million (or approximately THB 217 million based on the exchange rate on 25 April 2019 of IDR 430.3 for THB 1).
- In May 2019, the Company sold a 96.5 Rai of land which was a non-core operating asset in Pang Nga Province to TU. The transaction amounted to THB 440.0 million (the said plot of land had book value of THB 152.2 million as of 31 March 2019) in an effort to restructure the Company and reduce the chance of conflict of interest that may arise from leasing land to other companies in the TU Group.



2019

⁷ Actual exchange rate (source: the Company's financial statements).

2020



Additional Investment in TUKL and Resolved to Invest in Establishing a New Subsidiary in Pakistan with the Name AMG-TFM

- In February 2020, the Company and 2 partners paid for additional shares in TUKL according to their shareholding proportions totaling IDR 33,320 million (or approximately THB 77 million based on the exchange rate on 27 February 2020 of IDR 433.2 for THB 1).
- In September 2020, the Company and 2 partners paid for additional shares in TUKL according to their shareholding proportions totaling IDR 33,320 million (or approximately THB 72 million based on the exchange rate on 30 September 2020 of IDR 460.8 for THB 1). This resulted in TUKL having paid-up capital of IDR 199,920 million (or approximately THB 458 million) as of 30 September 2020. The Company's investment value was equal to IDR 129,948 million (or approximately THB 301 million).
- In November 2020, the Board of Directors' Meeting No. 4/2020 on 3 November 2020 approved the investment in establishing a subsidiary in Pakistan, AMG-TFM to conduct the business of producing and distributing aquaculture feeds in Pakistan.

Expansion of Producing Capacity in Fish Feeds. Increase in Registered Capital. Conducted Initial Public Offering (IPO) and Became a Listed Company in the Stock Exchange of Thailand (SET)

- During 2020 – the second quarter of 2021, the Company had increased one production capacity for fish feed and withdrawn shrimp feeds production line that had been in use for a long time. This resulted in the Company's production capacity as of 30 June 2021 reaching 273,000 tons a year. Of this, the shrimp feeds production capacity was 153,000 tons per year, fish feeds production 90,000 tons per year, and land animal feeds production 30,000 tons per year.
- In January 2021, the Company entered into a Shareholder Agreement with the AMG to determine rights, authorities, and duties of each party of shareholders. The Company and AMG Group would hold shares in AMG-TFM at the proportions of 51.0 percent, and 49.0 percent respectively. It was expected to have the initial investment value of approximately PKR 340.0 million (or around THB 68.9 million)⁸.
- The 2021 Annual General Meeting of Shareholders (AGM) on 1 April 2021 decided on the following:
 - Reduced the registered capital by reducing 90.0 million shares. This resulted in the decrease of the Company's registered capital from 500.0 million shares to 410.0 million shares, with the par value of THB 2.0 per share.
 - Increased the registered capital totaling 90.0 million shares. This resulted in the Company's registered capital increasing from 410.0 million shares to 500.0 million shares, with the determined value of THB 2.0 per share. This was to accommodate the listing of the Company in the Stock Exchange of Thailand.
 - Allocated Right Offering of not exceed 90.0 million shares at the par value of THB 2.0 per share for (1) directors, executives, and employees of TU of not exceed 2.5 million shares (2) directors, executives, and employees of the Company of not exceed 2.5 million shares and (3) the public offering at least 85.0 million shares. The share of the Company was to be listed in the Stock Exchange of Thailand.
- In June 2021, the Company and the AMG Group paid for the shares in AMG-TFM according to their respective proportions of shareholding totaling PKR 170.0 million. This resulted in the AMG-TFM had paid-up capital of PKR 170.0 million as of 30 June 2021 (or approximately THB 34.3 million) (the Company's investment was PKR 86.7 million or around THB 17.5 million)⁹. AMG-TFM had started its commercial operations in the second quarter of 2021.
- In August 2021, the Company and AMG Group increased capital in AMG-TFM in accordance with their respective proportions of shareholding. The total amount of capital increased was PKR 130.0 million (or around THB 26.4 million) (among this was the investment of the Company of PKR 66.3 million or approximately THB 13.4 million). As of 31 August 2021, AMG-TFM had paid-up capital totaling PKR 300.0 million (or approximately THB 60.7 million).
- On 26 October 2021, the Company registered for the increased paid-up capital from THB 820.0 million with 410.0 million shares to THB 1,000.0 million with 500.0 million shares, at the par value of THB 2.0 per share. This was due to the offering of shares to the public. On 29 October 2021, TFM share was listed in the Stock Exchange of Thailand for the first time.



2021

⁸ The Company's investment was around THB 35.1 million (based on the foreign exchange rate published on the Bank of Thailand website on 30 June 2021. PKR 1 equaled THB 0.2025).

⁹ Actual foreign exchange rate (source: the Company's financial statements).

1.4 Restructuring

Disposal of Investment in a Joint Venture

In 2012, TU Group decided for the Company to cooperate with Mitsubishi to establish TMAC, a joint venture, to hold shares in subsidiaries that conduct business of shrimp farming and shrimp breeding (“TMAC Group”). Even though TMAC did not conduct the same business as the Company, TMAC business was also an upstream industry similar to that of the Company. During that time, TU Group decided for the Company to invest in TMAC whereas the Company and Mitsubishi would hold shares in TMAC in the proportion of 51.0 and 49.0 of registered and paid-up capital of TMAC respectively. The Company and Mitsubishi have continued to hold those proportions.

Then, TU Group considered the nature of TMAC’s business which was related to the value chain of the main business of TU Group, a producer and exporter of frozen and canned seafood. TU Group had to source shrimps for processing. TCM Fishery Company Limited (“TCM”) and TMK Farm Company Limited (“TMK”), two subsidiaries of TMAC could provide shrimps with traceability for TU Group. Hence for the greatest benefit of TU’s business, as well as for clarity in the Company’s conduct of business as a flagship of TU in producing and distributing aquaculture feeds, TU had a plan to restructure the shareholding within the Company by buying TMAC’s shares from the Company.

On 10 August 2018, the Board of Directors’ Meeting No. 5/2018 approved the disposal of investment in TMAC to TU. On 31 August 2018, the Company entered into the agreement on the disposal of investment of TMAC to TU (**Investment Transactions Agreement**) with the transaction value of THB 31.6 million. This was determined by the fair assessment of value of TMAC by two independent financial consultants. On the date that the Company entered into the Investment Transactions Agreement, the book value of TMAC in the Company’s financial statements stood at THB 148.5 million. This resulted in the Company suffering from a loss in the disposal of investment in TMAC totaling THB 116.9 million. The Company recognized such loss in the consolidated financial statements for the year ending on 31 December 2018. In the production of consolidated financial statements starting from the year ending on 31 December 2018, the Company would not record any investment in the TMAC Joint Venture again.



Investment in a Subsidiary in Indonesia

The Company invests in TUKL, a subsidiary in Indonesia, to produce and distribute aquaculture feeds in Indonesia. The Company has cooperated with 2 business partners namely (1) PT MSK Group which operates a business of frozen food and baby shrimp breeding in Indonesia and (2) AVANTI Group which produces and distributes aquaculture feeds in India (holding shares through AVANTI and Srinivasa). The Company, PT MSK and AVANTI Group hold shares in TUKL in the proportion of 65.0 percent, 25.0 percent, and 10.0 percent of registered capital of TUKL, respectively.

The Company decided to invest in Indonesia because the executives saw the potential and growth in the production and aquaculture feeds in Indonesia.

In May 2018, the Company entered into a shareholder agreement with PT MSK and AVANTI Group to agree on the rights, authorities, and duties of each party of shareholders. Later in August 2018, the Company and the other 2 partners paid for the share in TUKL for the first time totaling IDR 39,984 million (or approximately THB 92 million based on the foreign exchange rate on 23 August 2018 of IDR 434.8 for THB 1)^{10,11}. Then the Company and two partners paid for the additional share in TUKL according to their respective proportion of shareholding to invest in land, plant building, and production machineries of TUKL. The fund was to be used as the initial working capital for TUKL. As of 30 June 2021, TUKL had paid capital of IDR 199,920 million (or approximately THB 458 million)¹².

At the time, TUKL has the capacity to produce 36,000 tons of shrimp feeds per year. Currently, the plant construction, installation of machineries and test run have been completed. TUKL has started its commercial endeavors with revenues started to be realized in the first quarter of 2022.

¹⁰ Actual foreign exchange rate (source: the Company’s financial statements).

¹¹ The Company’s share of investment totaled IDR 25,990 million (or approximately THB 64 million). The exchange rate was IDR 434.8 for THB 1).

¹² The Company’s share of investment totaled IDR 129,948 million or approximately THB 302 million.

Selling of Land in Phang Nga

The Company possessed a land plot of 96.5 Rai which was a non-core operating asset in Phang Nga Province. The land was an empty and unutilized plot. It was leased to TUH (a subsidiary of TMAC) for shrimp breeding and shrimp nursery since 2006.

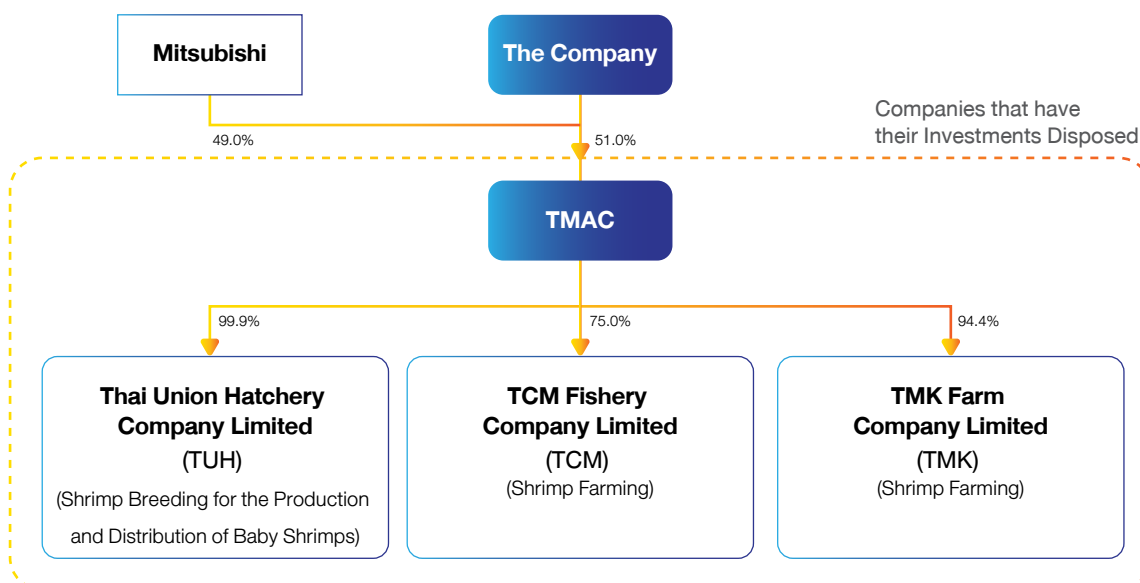
In order to restructure the Company and reduce the chance of conflict of interest between the Company and TU Group, the Board of Directors' Meeting No. 2/2019 on 3 May 2019 and the Extraordinary General Meeting of Shareholders No. 2/2019 on 24 May 2019 resolved to approve the selling of that plot of land to TU whereby the Company entered into a contract. And on 30 May 2019, the Company entered into an agreement to sell the land to TU (**Land Sale and Purchase Agreement**) with the transaction value of THB 440.0 million. This was based on the fair assessment of land by an independent assessor. At the date when the Company entered into the Agreement, the book value of the plot of land in the Company's financial statements was at THB 152.2 million. The Company recognized revenue from the land sale in the financial statements for the year 2019.

Investment in a Subsidiary in Pakistan

On 3 November 2020, the Board of Directors' Meeting No. 4/2020 approved the joint investment to establish AMG-TFM, a subsidiary in Pakistan to produce and distribute aquaculture feeds in Pakistan. In January 2021, the Company entered into a shareholder agreement with AMG, one of the major companies with businesses related to aquaculture feeds in Pakistan to agree on rights, authorities, and duties of each shareholding party. The Company and the AMG Group invested in AMG-TFM in the proportions of 51.0 percent and 49.0 percent respectively. The Company and AMG Group paid for shares in the AMG-TFM according to their respective shareholding proportions two times in June and August 2020 totaling PKR 300.0 million. As of 31 August 2021, AMG-TFM had paid-up capital of PKR 300.0 million (or approximately THB 60.7 million) (The Company's investment was PKR 153.0 million or approximately THB 31.0 million)¹³. Initially, AMG-TFM was focused on the production and distribution of fish feeds. AMG-TFM has started commercial operations and begun to revenue in second quarter of 2021.

1.5 The Company's Shareholding Structure

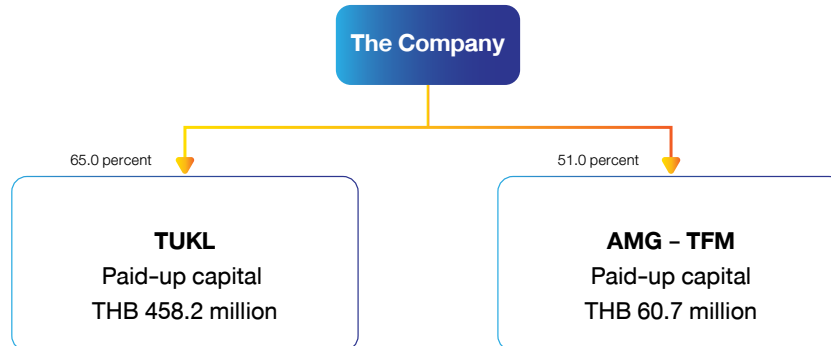
1) Structure of the Company and its Affiliates Prior to the Restructuring of Shareholding



¹³ Actual foreign exchange rate (source: the Company's financial statements).

2) Structure of the Company and its Affiliates After the Restructuring of Shareholding

The Company's Shareholding Structure as of 31 December 2021



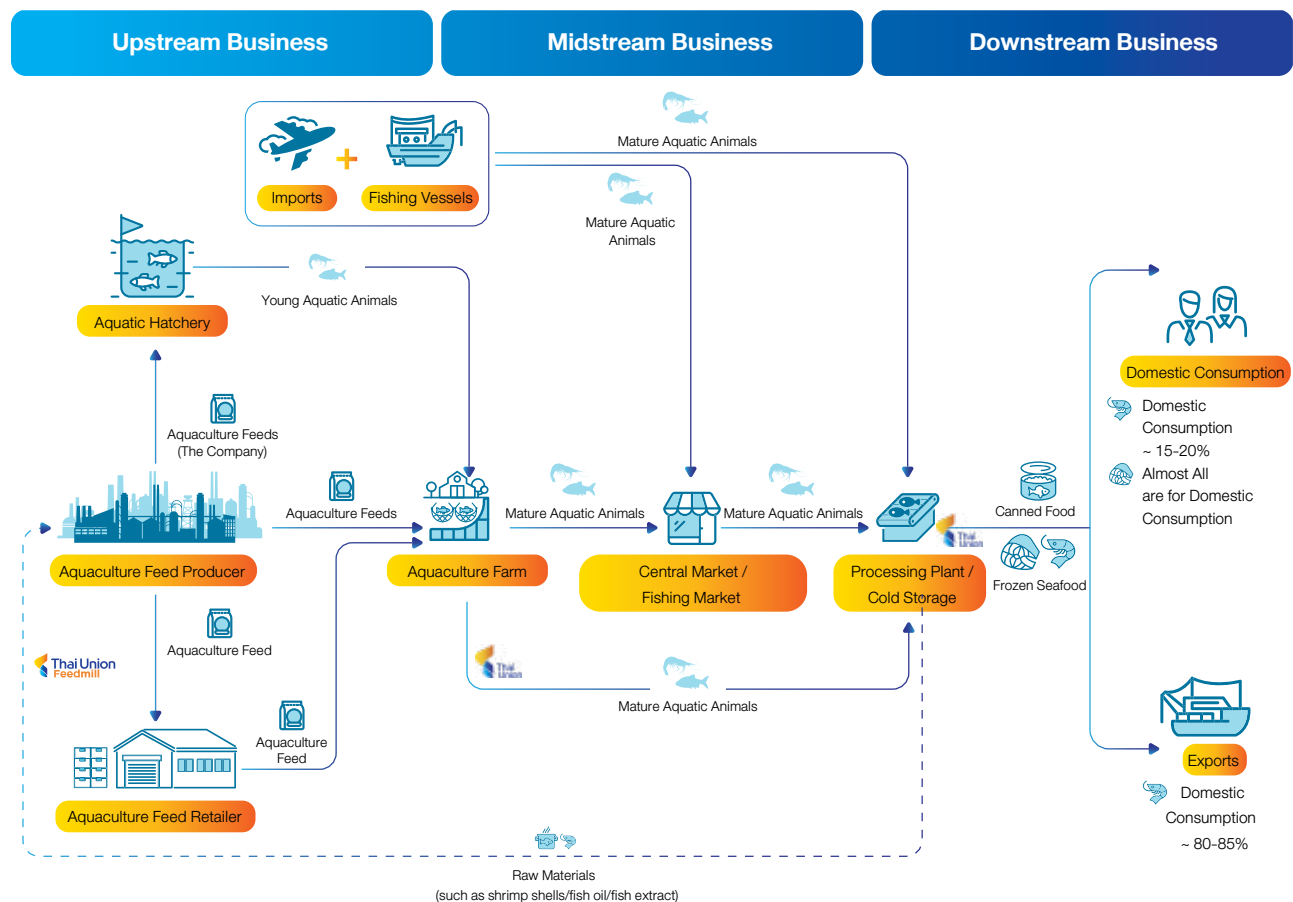
Remarks:

- The remaining shareholders of TUKL, namely PT MSK and AVANTI Group who hold shares in the proportions of 25.0 percent and 10.0 percent of the registered and paid-up capital of TUKL respectively. The paid-up capital of TUKL was calculated from the sum of the value of paid-up capital in THB.
- The remaining shareholder of AMG-TFM was the AMG Group who held shares in the proportion of 49.0 percent. The paid-up capital of AMG-TFM was calculated from the sum of the value of paid-up capital in THB.

1.6 Relationship with Major Shareholders

1.6.1 Key Business Relations between the Company and Related Groups of the Company

The Company operates the main business of producing and distributing aquaculture feeds namely shrimp and fish feeds (including frog and crab feeds) to be used as raw materials in the aquaculture industry. The value chain of the aquaculture industry is shown in the following diagram.

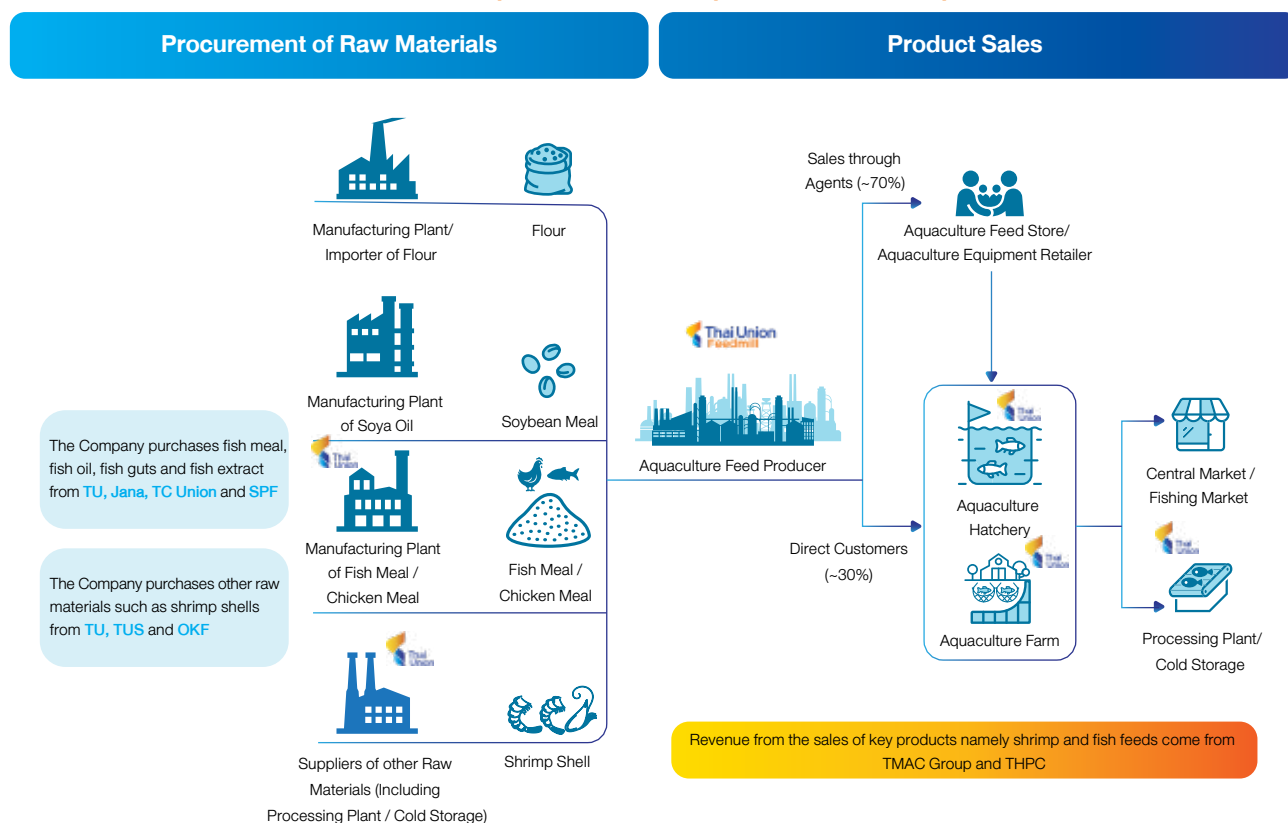


TU, as the major shareholder of the Company, is one of the global producers and distributors of canned seafood. TU has expanded its business to cover related businesses, covering key portions of the value chain of the industry related to aquaculture, through a number of subsidiaries. These are **(1) producer and distributor of aquaculture feeds:** operated by the Company **(2) Aquatic Hatcheries and Aquaculture Farms:** operated by TUH, TCM, and TMK (TMAC Group) and Thai Union Hi-tech Pearl Cultivation Company Limited (“THPC”) **(3) Producers of Fish Meal:** operated by Jana Industry Company Limited (“Jana”) and TC Union Agrotech Company Limited (“TC Union”) and SPF Diana (Thailand) Company Limited (“SPF”) and **(4) Seafood Processors:**

operated by TU, Thai Union Seafood Company Limited (“TUS”) and Okeanos Food Company Limited (“OKF”).

Since the Company is in the same value chain as other companies in the TU Group, the Company has key and related business transactions with companies in the TU Group such as the procurement of raw materials and distribution of products. Moreover, customers of the Company who are owners of aquaculture farms such as Burapha Farm also supply shrimps for TU. **The Company and TU have never engaged in Contract Farming with customers of the Company / aquatic animal suppliers of TU in a way that seeks to impose a condition for TU’s suppliers of aquatic animals to buy aquaculture feeds from the Company.**

Key Business Transactions between the Company and other Companies in the TU Group can be Summarized as Follows:



Apart from the transactions of products and raw materials, the Company also has related transactions with other companies in the TU Group such as sales of shrimps and fish from the Company’s aquaculture breeding research farm to TU and purchase of baby shrimps for the Company’s aquaculture breeding research farm from TUH.





1.6.2 Supervisory Measures on Investments in Subsidiaries and Affiliates of TU Group and Measures to Prevent the Conflict of Interest

TU, a major shareholder of the Company, invests in AVANTI at a significant proportion of 24.2 percent of the registered and paid-up capital as of 31 December 2021 (including direct and indirect shareholding). AVANTI's business is similar to that of the Company as it also produces and distributes shrimp feeds. Hence to prevent any conflict of interest both at present and in the future between TU and the Company, the Board of Directors of TU, on 20 February 2019, approved the TU Group to operate businesses in the aquaculture feeds industry. Details are as follows:

1) Measures to Prevent TU's Conflict of Interest

As long as TU remains a major shareholder of the Company, the Company will be the flagship in the business of aquaculture feed industry. TU will not invest and/or conduct any competing business, direct or indirect, against the Company's aquaculture feed business, except in any of the following conducts:

1. Investment in AVANTI's aquaculture feed business which TU and its subsidiaries have had and operated before the approval of this investment policy.
2. Increase in shareholding proportion in AVANTI from the Right Offering in accordance with the respective shareholding proportions. TU will do its best to reduce its shareholding proportion resulting from such a case to below 25.1 percent of the registered and paid-up capital

of AVANTI or the increase in shareholding proportion in AVANTI which is for the purpose of maintaining rights or protect the rights of TU Group as a shareholder of AVANTI and/or companies in AVANTI Group.

3. Other cases as agreed by TU and the Company, in line with the criteria of the relevant bodies of law as well as announcements or criteria under the Securities and Exchange Act B.E. 2535 (1992) (including amendments) and relevant regulations determined by the Capital Market Supervisory Board and/or the Securities and Exchange Commission, and the Stock Exchange of Thailand.

2) Measures to Prevent Conflict of Interests between the Company and AVANTI

The Company and AVANTI entered into a non-compete agreement on 22 February 2019. The key points of the agreement can be summarized as follows:

1. The Company

- The Company will not conduct the business of production and distribution of aquaculture feeds in India.
- The Company will not sell its products to customers based in India except to AVANTI.

2. AVANTI

- AVANTI will not conduct the business of production and distribution of aquaculture feeds in Thailand.
- AVANTI will not sell its products to customers based in Thailand directly.

3. This Agreement will be in force for as long as TU holds shares, direct and indirect, in the Company or AVANTI more than 10.0 percent.

1.6.3 The Company's Investment and Measures to Prevent Conflict of Interest between the Company and the TU Group

In 2020, the Company conducted a market trial in the seabass-related business. The Company purchased seabass from agriculturalists to process. This was a way of expanding the market for seabass and supporting agriculturalists who were the Company's customers. However, to prevent any conflict of interest at present and in the future, between the

Company and TU Group, in the second quarter of 2021, the Company ended the business of selling those seabass-related products. Moreover, the Board of Directors' Meeting No. 4/2021 on 5 August 2021 decided to approve the following principle of investment for the Company: "The Company focuses on investing in the core business of the Company which includes the commercial production and distribution of animal feeds and supporting and/or related businesses. The Company considers the growth potential and risks of the businesses that the Company is interested in investing. However, the Company does not have a policy to conduct any business that may be in conflict of interest with the Thai Union Group Public Company Limited.

1.7 Expenditure of the Income Received from Sales of Shares

Purpose of Expenditure	Expenditure Plan (Approximately)	Actual Expense between 26 October – 31 December 2021	Remaining Fund as of 31 December 2021	Details/Progress of Expenditure
1. Expansion of the production and distribution of aquaculture feed business in Indonesia	Not more than 250.00	-	250.00	TUCL has a plan to invest in two more production lines of aquaculture feeds within 2023. This will increase the capacity of production by 36,000 tons/year.
2. Payback Loans	250.00 – 350.00	350.00	-	Payback loans in the fourth quarter of 2021.
3. Working Capital	577.40 – 677.40	500.00	77.40	Payback short-term loans in the fourth quarter of 2021. The remaining fund would be used as the Company's working capital.
Total	1,177.40	850.00	327.40	

Nature of Business

2.1 Revenue Structure

Almost all revenue of the Company or approximately 99 percent of the total revenue during 2019 – 2021 came from sales of aquaculture feeds, namely shrimp and fish feeds (including frog and crab feeds)¹. Towards the end of 2018, the Company expanded its business to include the production

and distribution of livestock feeds such as duck, chicken, and pig feeds.

The Company's revenue structure for the years 2019 - 2021 is shown in the table below.

Remarks:

¹ The Company's aquaculture feeds can be categorized into two categories based on the features of each feed namely (1) shrimp feeds (sinking pellets) (2) fish feeds (including frog and crab feeds) (floating pellets except some types of fish feeds). Revenues from the sales of frog and crab feeds amounted to 4.2 – 7.6 percent of the total sales of fish feeds during 2019-2021.

Item	For accounting year ending on 31 December					
	2019		2020		2021	
	THB million	Percentage	THB million	Percentage	THB million	Percentage
Revenue from the Sales of Shrimp Feeds						
- Domestic	2,249.1	45.8	1,971.7	46.5	2,195.1	45.4
- International	181.0	3.7	128.8	3.0	200.5	4.1
Total Revenue from the Sales of Shrimp Feeds	2,430.1	49.5	2,100.5	49.5	2,395.60	49.5
Revenue from the Sales of Fish Feeds¹						
- Domestic	2,117.4	43.2	1,647.9	38.8	1,638.3	33.9
- International	0.1	0.0	0.3	0.0	157.2	3.3
Total Revenue from the Sales of Fish Feeds	2,117.5	43.2	1,648.2	38.8	1,795.5	37.2
Revenue from the Sales of Livestock Feeds						
- Domestic	201.9	4.1	315.7	7.4	446.0	9.2
Total Revenue from the Sales of Livestock Feeds	201.9	4.1	315.7	7.4	446.0	9.2
Revenue from other Sales ²	99.7	2.0	119.4	2.9	136.0	2.8
Total Revenue from Sales	4,849.2	98.8	4,183.8	98.6	4,773.1	98.7
Other Revenue ³	57.6	1.2	60.7	1.4	60.9	1.3
Total Revenue	4,906.8	100.0	4,244.5	100.0	4,834.0	100.0

Remarks:

¹ Includes revenues from the sales of frog and crab feeds which amounted to 4.2 – 7.6 percent of the total sales of fish feeds during 2019-2021.

² Revenue from other sales mainly includes revenue from supplying raw materials to customers, the sales of shrimp and fish from the Company's aquaculture breeding research farm, and the sales of seabass-related products during a marketing trial.

³ Other revenue includes revenue from the provision of technical services and the permission to use the Company's tradename, the sales of byproducts, the provision of services related to sales and marketing for TUH, shipping, receipts of bad debts, tax compensations, and interests.

2.2 Product Information

2.2.1 Product Categories

The Company's main business is the production and distribution of animal feeds. The Company's core product categories are shrimp and fish feeds (including frog and crab feeds) and livestock feeds. They are used as raw materials in the breeding industry of the above mentioned animals which are crucial to the Thai economy. The key difference of shrimp feed pellets is their sinking quality whereas most fish feeds are floating pellets except for feeds designed for gourami, grouper, and redtail catfish that are in the form of sinking pellets. Animal feed products can be divided into three types, namely (1) shrimp feeds (2) fish feeds (including frog and crab feeds) and (3) livestock feeds.

Shrimp Feeds

Shrimp at different stages of life need pellet feeds of different size, and different amount of protein and nutrients. During their larval stage, more protein is needed. To respond to the diverse requirements of shrimp, the Company has designed shrimp feeds that have protein and nutrients appropriate to each breed, and in line with the standards stipulated by the Department of Fisheries. Since the Company's shrimp feeds are of high quality and have a good effect on the growth rates, strength, and survival rate, widely accepted by the market, the Company has had the market share of 16.2 percent in 2021 (based on the prediction of the use of shrimp feeds by the Thai Feedmill Association).

The Company's shrimp feeds products include feed for giant tiger prawns, vannamei, and other shrimp. Each is different in terms of the amount of protein, source of protein. For marketing purposes, the products have been classified as premium grade, standard grade, and fighting brand.



Fish Feeds

The Company produces and distributes fish feeds (including frog and crab feeds). The Company's fish feeds took up around 12.2 percent market share of Thailand's fish feeds production in 2021 (according to the expected utilization of shrimp feeds by the Thai Feed Mill Association). Most fish feeds are in the form of floating pellets since fish consume their feeds on the water surface. Feeds for grouper and redtail catfish, however, are in the form of sinking pellets.



The Company's fish feeds products can be categorized into four types, namely (1) marine fish feeds (2) freshwater fish feeds (3) larval feeds and (4) frog feeds. Each type differs in terms of the amount of protein, the source of protein, and farming methods. Categorization of the Company's products can also be based on marketing purposes, namely premium, standard, and fighting brand.



Livestock Feeds

The Company sells livestock feeds under the brand PROFEED. There are two types as follows: (1) PROFEED pig feeds with variations according to the size and age of pigs; and (2) PROFEED poultry feeds for broiler, layer, local chicken, duck, duck layer, and quail.



Other Products

Apart from the core products, there are other sales such as the sales of products from the Company's aquaculture breeding research farm such as shrimp and seabass. These are byproducts of the Company's research farm set up to develop and improve aquaculture feed formula.

Measures and Quality Certification

The Company is committed to quality and sustainable working standards. The Company has been developing and improving the production process to be in line with the global standards and corresponding to the needs of customers at home and abroad. The quality has been assured by various international standards and institutions. Details are as follows:

Measure / Certification	Explanation	Mahachai Plant	Ranot Plant
		Month/Year of the Last Certification	Month/Year of the Last Certification
ISO 9001:2015	Quality Management System (SGS)	February 2021	May 2021
ISO 14001:2015	Quality Management System (URS)	-	May 2021
ISO 45000:2018	Occupational Health and Safety Management System	-	May 2021
Hazard Analysis and Critical Control Point (HACCP)	Hazard Analysis and Critical Control Point System from the Department of Livestock Development, Ministry of Agriculture and Cooperatives	August 2021	December 2021
Hazard Analysis and Critical Control Point (HACCP)	Hazard Analysis and Critical Control Point System from the Department of Fisheries, Ministry of Agriculture and Cooperatives	October 2021	August 2021
Good Manufacturing Practice (GMP)	Good manufacturing practice in the production of animal feeds from the Department of Livestock Development, Ministry of Agriculture and Cooperatives	August 2021	December 2021
Good Manufacturing Practice (GMP)	Good manufacturing practice in the production of aquaculture feeds from the Department of Fisheries, Ministry of Agriculture and Cooperatives	October 2021	August 2021
Best Aquaculture Practices Certification (BAP)	Best aquaculture practices certification for shrimp feeds production plants from Global Aquaculture Alliance (GAA)	March 2021	August 2021
Supplier Ethical Data Exchange (Sedex)	Supplier Ethical Data Exchange (Sedex) from SGS	November 2021	-

Measure / Certification	Explanation	Mahachai Plant	Ranot Plant
		Month/Year of the Last Certification	Month/Year of the Last Certification
Sustainable Aquaculture Improvement Protocol (SEASAIP)	Sustainable aquaculture improvement protocol from Asian Seafood Improvement Collaborative (ASIC)	March 2021	-
Listing in the Food and Drug Administration (FDA)	The only aquaculture feed producer in Thailand that has been listed in the USA's Food and Drug Administration (FDA)	August 2021	-

Investment Promotion Privileges

The Company has received tax privileges in accordance with the Investment Promotion Act from the Board of Investment of Thailand. Details of the Company's investment promotion certificates that are still effective are as follows:

Investment Promotion Certificate No.	1042(2)/2554	2259(2)/2555	58-1973-0-00-1-0	64-0158-1-05-1-0	64-1257-1-00-1-0
Dated	9 November 2010	30 July 2012	7 July 2015	24 December 2020	18 October 2021
Type of Business	Production of animal feeds or ingredients of animal feeds	Production of animal feeds or ingredients of animal feeds	Production of animal feeds or ingredients of animal feeds	Production of animal feeds or ingredients of animal feeds	Production of animal feeds or ingredients of animal feeds
Plant	Ranot Plant Songkhla Province	Mahachai Plant Samut Sakhon Province	Mahachai Plant Samut Sakhon Province	Ranot Plant Songkhla Province	Mahachai Plant Samut Sakhon Province
Privilege					
1. Permit to bring into the Kingdom skilled workers and experts with the number and period of time as deemed appropriate by the considering committee.	Approved	Approved	Approved	Approved	Approved
2. Exemption of import duties on machineries as approved by the considering committee.	Approved	Approved	Approved	Approved	Approved
3. Exemption of corporate income tax on the net profit derived from the promoted activity.	8 years from the date of first realization of revenue from the promoted activity (from 16 July 2016)	8 years from the date of first realization of revenue from the promoted activity (from 20 May 2014)	8 years from the date of first realization of revenue from the promoted activity (from 2 September 2016)	3 years from the date of first realization of revenue from the promoted activity (ongoing implementation)	5 years from the date of first realization of revenue from the promoted activity
4. net profit gained after the corporate income tax exemption period with the realized loss incurred during the period of investment promotion.	5 years after the date in No.3 lapses	5 years after the date in No.3 lapses	5 years after the date in No.3 lapses	5 years after the date in No.3 lapses	5 years after the date in No.3 lapses

Investment Promotion Certificate No.	1042(2)/2554	2259(2)/2555	58-1973-0-00-1-0	64-0158-1-05-1-0	64-1257-1-00-1-0
5. Exemption of including dividends gained from the promoted activity in the taxable amount.	8 years from the date of first realization of revenue from the promoted activity (from 16 July 2016)	8 years from the date of first realization of revenue from the promoted activity (from 20 May 2014)	8 years from the date of first realization of revenue from the promoted activity (from 2 September 2016)	3 years from the date of first realization of revenue from the promoted activity (ongoing implementation)	5 years from the date of first realization of revenue from the promoted activity
6. Deduction from the costs of installation or construction of facilities.	25 percent of investment apart from general deduction of depreciation	None	None	None	None
7. Exemption of import duty on raw or essential materials imported for use in production for export	5 years from the date of first import	1 year from the date of first import	1 year from the date of first import	None	1 year from the date of first import
8. Exemption of import duty on materials that the promoted company imports to re-export	5 years from the date of first import	1 year from the date of first import	1 year from the date of first import	None	1 year from the date of first import
9. Permit to take out or remit money abroad in foreign currency	None	None	Approved	None	Approved
Project-specific Conditions					
1. Import period for machineries	By 11 July 2016	By 5 March 2018	By 28 January 2020	By 15 February 2024	By 19 May 2024
2. Period of machinery initiation	By 11 January 2017	By 5 September 2019	By 28 July 2020	By 15 February 2024	By 19 May 2024
3. Minimum registered capital	THB 300 million	THB 500 million	THB 500 million	THB 820 million	THB 820 million
4. Business capacity	Annual animal feed production capacity: approx. 66,000 tons (22 hrs/day : 300 days/year)	Annual animal feed production capacity: approx. 150,000 tons (24 hrs/day : 350 days/year)	Annual animal feed production capacity: approx. 120,000 tons (24 hrs/day : 350 days/year)	Annual animal feed production capacity: approx. 42,900 tons (22 hrs/day : 300 days/year)	Annual animal feed production capacity: approx. 168,000 tons (24 hrs/day : 350 days/year)
5. Exempted corporate income tax	Not more than THB 280,315,847.77	Not more than THB 521,604,741.00	Not more than THB 280,000,000.00 ¹	Not more than THB 7,860,000.00 ¹	Not more than THB 200,000,000.00 ¹
6. Plant location	Songkhla Province	Samut Sakhon Province	Samut Sakhon Province	Songkhla Province	Samut Sakhon Province
7. Standard quality system certification	ISO 9000 or 14000 or equivalent international standard	ISO 9000 or 14000 or equivalent international standard	ISO 9000 or 14000 or equivalent international standard	ISO 9000 or 14000 or equivalent international standard	ISO 22000 or standard accepted by GFSI

Remark:

¹ Exempted corporate income tax in accordance with the investment promotion certificate follows the amount of investment excluding land value and actual working capital on the commencement date of the promoted activity.



Research and Development

The Company's production of animal feeds plays its part in conserving energy by using solar energy from rooftop solar cells and solar farms to produce feeds. Biotechnology from using phytase enzyme to release phosphorus in animal feeds for further utilization. This has made aquaculture activities emit fewer phosphorus into natural waters, causing lower pollution. One kilogram of phytase enzyme can reduce the use of phosphorus by 2.35 kilograms. Annually, the reduction of phosphorus into water amounts to 23,265 kilograms. Also, the use of xylanase enzyme in feeds helps with the utilization of starch and protein in cereals' cells. This helps reduce the

loss of nutrients and pollution. Moreover, the Company has used Omega-3 from seaweed culture rather than fish oil to reduce the need to catch fish and promote sustainability of resources. It is estimated that at least 7,394,084 kilograms of marine fish for fish oil are saved annually by the change to seaweed culture.

The Company's expenses for research and development for 2019, 2020, and 2021 were THB 76.0 million, THB 62.3 million, and THB 65.7 million respectively.

Target Customers and Distribution Channels

The Company sells its products to two key groups of customers. Each customer group has different ways of purchasing products. Details are as follows:

(1) Aquaculture Feed Retailers

Purchase animal feeds to sell to owners of shrimp and fish farms that have their own customer bases. This group of customers supports the Company's sale of animal feeds, including by storing the Company's products for further distribution, the provision of credit terms of customers who are owners of animal breeding farms. Some retailers may also possess their own breeding farms.

(2) Aquaculture / Animal Breeding Farms

purchase animal feeds to be used in their own breeding activities. The amount of order depends on the size of each farm.



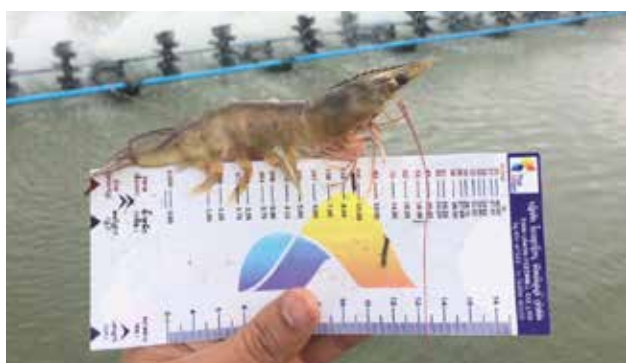
The Company plays its part in conserving energy by using solar energy to produce feeds. Biotechnology including the use of phytase enzyme in animal feeds, has helped with the efforts to emit less phosphorus into natural waters.

Animal feed industry is mainly domestic. The Company's core customers' base constitutes domestic customers where they contributed to 92 - 97 percent of the Company's total sale revenue during 2019-2021. The rest of the revenue, approximately 3 - 8 percent of the Company's total sale revenue during 2019-2021 came from exports to Sri Lanka, Malaysia, Bangladesh, Myanmar, Pakistan, and Maldives. Distribution channels for domestic and international markets may be elaborated as follows:

- **Domestic Market Distribution** – The Company focuses on presenting Proof of Performance following the use of Company's feeds to let the animal breeding farms realise the value and worth of the Company's feeds, especially in reducing costs. The Company has engaged in the following activities:
 - Provide academic knowledge on the right and appropriate ways of farming and management to increase efficiency and effectiveness of livestock farming.
 - Help agriculturalists to find more varied marketing channels both domestic and abroad.
 - Promote comprehensive new aquaculture projects including breeding of milkfish and crab, starting from developing quality larvae, providing advice on breeding and management, as well as promote marketing to stimulate consumption.
- **International Market Distribution** – The Company distributes products through two channels, namely direct distribution to farms and through animal feeds retailers.

Pricing Policy

The Company sets its product prices in accordance with the Company's policy and strategies, taking into account all stakeholders including shareholders, customers, and business partners.



However, to maintain price competitiveness against other animal feeds distributors, in general, the Company sets certain discount rates for customers at certain times. The consideration is based on (1) animal feeds prices announced by the Ministry of Commerce (2) competition circumstances in each area (3) selling prices of animal feeds with similar qualities of other companies (4) order amount and/or the negotiating power of each buyer and (5) selling costs and preliminary rate of profits expected.

For domestic customers, in general, the Company agrees to two types of selling prices according to the shipping method, namely factory prices and prices that include shipping costs, depending on the customers' requirements. In terms of international customers, there are three types of selling prices, namely (1) Free on Board Loading Port (FOB) ("FOB Pricing"). This refers to selling prices where the Company is responsible for shipping expenses up to the loading of products on board; (2) Cost and Freight (CNF) ("CNF Pricing") refers to the FOB price but also includes freight bill and (3) Cost Insurance and Freight (CIF) refers to the CNF price but also includes product insurance up until the products reach the customer's port, depending on the needs of customers.

The Company provides credit terms. Customers will receive different credit terms from the Company, depending on each customer's credit history and purchase order.

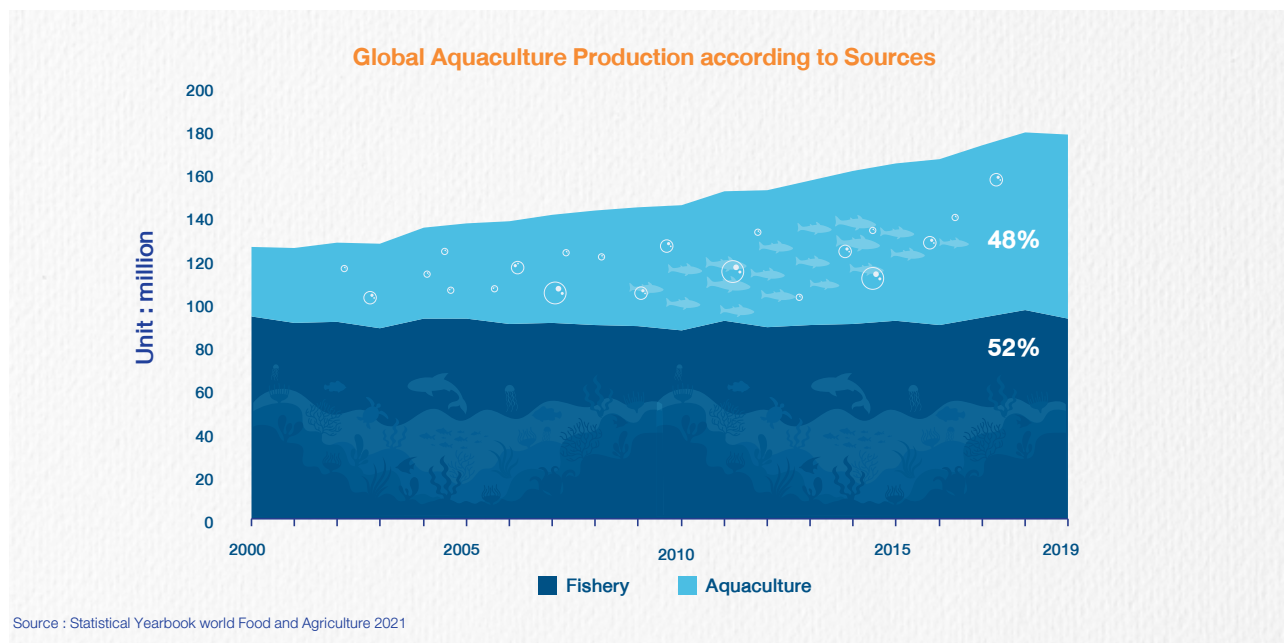
2.2.2 The Industry and Competition Conditions

2.2.2.1 The Industry

(1) The Global Aquaculture Industry

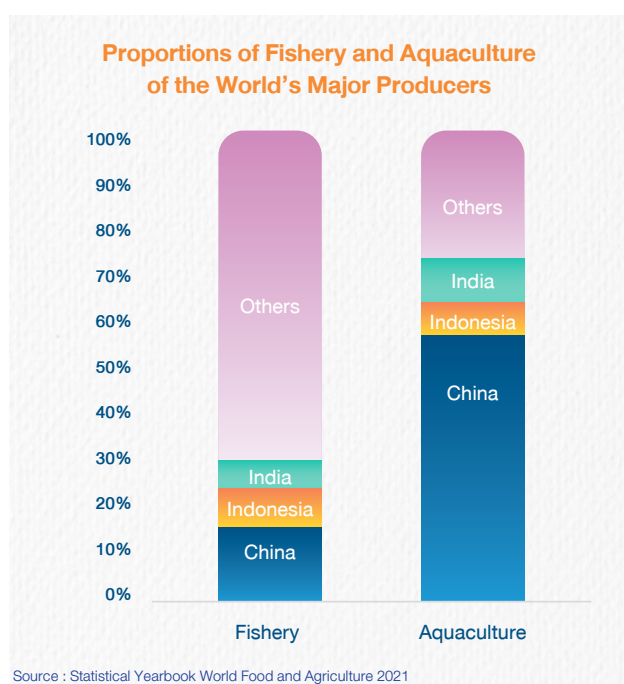
(Source : Food and aquaculture organization of the United Nations)

The production of aquatic animals across the world (not including aquatic plants) both from aquaculture and fishery risen to approximately 178 million tons a year or 41 percent growth between 2000 and 2019. The expansion of aquaculture production nowadays comes mainly from farming. The average annual growth stood at around 5.2 percent a year during 2000 – 2019. Recently, the principles of sustainable business undertakings, and the environment have been involved in the aquaculture industry. This has made the production trend of aquatic animals from fishery remains quite steady at approximately 90 million tons per year since 1990.



Asia is the region with the most aquatic animal products, amounting to 70 percent of the total production. This rose from the year 2000, when the proportion stood at 57 percent. The People's Republic of China is the largest producer both in terms of fishery and aquaculture, contributing to more than 36 percent. Other major producers are Indonesia and India. The three countries have the combined products of more than 50 percent of the total fisheries and aquacultures. In 2019, the three major producers had 73 percent of their products from aquaculture, while 27 percent was from fishery.

In 2020, the global production of aquatic animals decreased due to the lower amount produced by farms while fishery products were at the same level. The overall aquatic animal products were dramatically low in the first half of the year as the world's major producers such as the People's Republic of China, the world's largest producer, suffered from strict lockdown measures in the first half of the year due to the COVID-19 pandemic. It is expected that China will see strong growth in 2022 owing to the easing situation of the COVID-19 pandemic.



(2) Thailand's Aquaculture Industry

Aquaculture industry consists of several business sectors that are interconnected: (1) upstream businesses such as the production of aquaculture feeds which are used as raw materials for aquaculture businesses; (2) midstream businesses such as aquaculture and fishery businesses. They are the suppliers of aquatic animals for seafood processing; and (3) downstream businesses which process and add value to fresh seafood into ready-to-distribute products to be exported to key markets around the world. Every business that has been mentioned is interconnected in the form of a supply chain. The relations between these businesses change according to the amount of aquaculture in the country. At the same time, the amount of aquaculture activities will also depend on the amount of processed seafood exported as well as the number of aquatic animals from the fishery sector.



(3) Thailand's Aquaculture Industry Trend

Aquaculture industry in Thailand is one of the important industries for the Thai economy since Thailand is also one of the leading countries in the global fishery industry. Thailand's shrimp production ranked sixth in the world in 2020. According to the estimates of the fishery statistics research and analysis unit, Fisheries Development Policy and Planning Division, in 2020, Thailand had approximately 3,498,137 tons of aquatic animal products. Of this, 2,553,101 tons came from fishery and 945,036 tons came from aquaculture.

While there are more aquatic animal products that are from fishery, the aquatic animal products from fisheries are in decline over the past decades due to overfishing. This prompted the Thai government to accelerate the promotion of aquaculture to alleviate the lack of fishery resources and strengthen seafood security, in accordance with the Royal Ordinance on Fisheries B.E. 2558(2015) Chapter 6 on Aquaculture Promotion. Moreover, given the trend seen in the world's major importers, as well as the policy of the Thai government, it is likely that fisheries will be controlled and monitored to ensure that they are carried out correctly and in line with international standards. This poses an obstacle to fisheries of several exporting countries. In the future, there is a possibility of having more products from aquaculture. The growth in demand from an increase in global population will be a positive factor for aquaculture feeds industry.

According to the fishery statistics in 2020, there were 533,481 aquaculture farms with the total aquaculture area of 1,149,231 Rai. The total aquatic animal products weighed 945,036 tons with the value of THB 94,071 million. Of the total products, (1) 36,096 were coastal aquaculture farms or 6.8 percent, with the area of 395,631 Rai, aquatic animal products weighed 531,581 tons with the value of THB 68,557 million; and (2) 497,385 were freshwater aquaculture farms or 93.2 percent, with the area of 753,600 Rai, aquatic animal products weighed 413,455 tons with the value of THB 25,514 million.

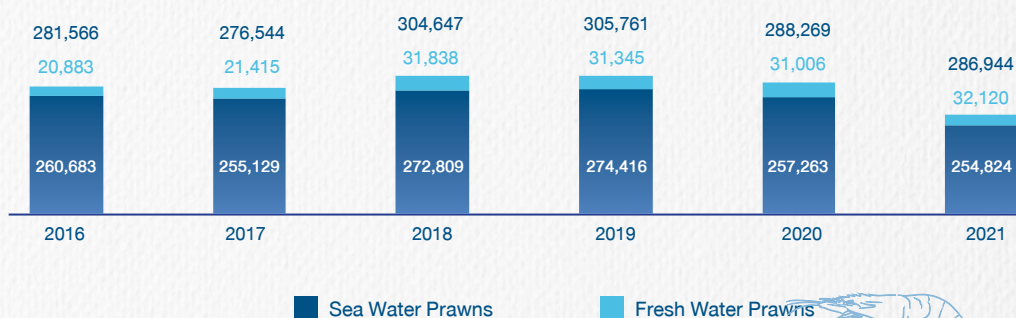
In 2021, the Thai Feedmill Association expected that the demand for aquaculture feeds would reach 1,036,000 tons (shrimp feeds 496,000 tons and fish feeds 540,000 tons), representing an increase of 6.1 percent year-on-year, with the value standing at THB 26,600 million in 2021.

Shrimp Industry in Thailand

(Source : Fisheries Economy Unit, Fisheries Development Policy and Planning Division)

In 2020, the total shrimp production was 313,827 tons. Of this, 288,269 tons came from shrimp farms. The production in 2020 decreased from that in 2019 which stood at 305,761 tons due to low shrimp prices as the COVID-19 pandemic forced restaurants to close and the reduction of tourists. In 2021, however, shrimp production from farms in 2021 slightly declined to 286,944 tons, compared to the previous year.

Amount of Shrimp Production from Shrimp Farms in Thailand (Unit: tons)

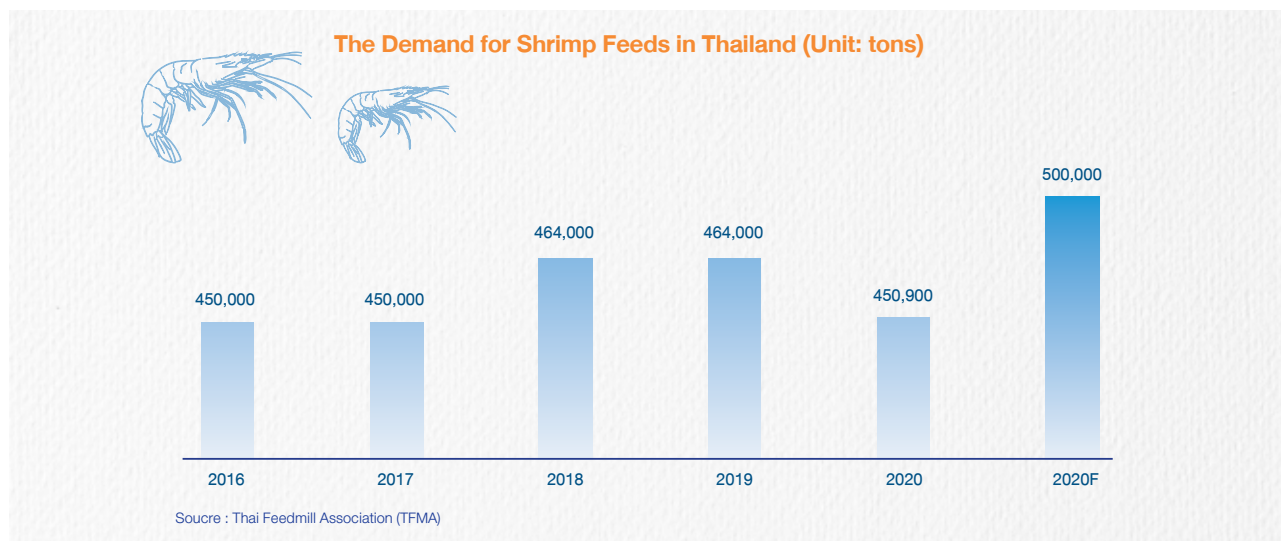


Source : Fisheries Economy Unit, Fisheries Development Policy and Planning Division



The amount of shrimp feeds production varies according to the demand for shrimp feeds which in turn depends on the amount of production from shrimp farms in Thailand. According to the estimates of the Thai Feedmill Association, it was

expected that in 2021, the amount of shrimp feeds utilization would reach approximately 500,000 tons, an increase from the year before which stood at 450,900 tons.



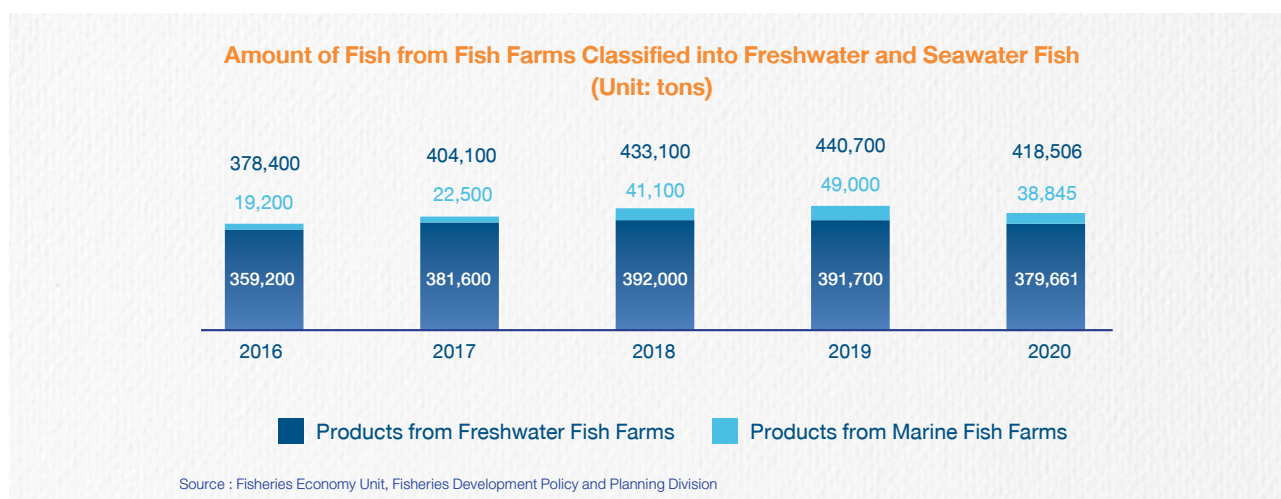
Fish Industry in Thailand

(Source : Fisheries Economy Unit, Fisheries Development Policy and Planning Division)

Most fish production in Thailand is for domestic consumption with small amount allocated for exports. The majority of the fish come from natural catch, amounting to 74-77 percent of the total fish production in Thailand during 2016-2020 while products from fish farms accounted for 23-26 percent. The amount of Fishery is likely to reduce significantly. The amount of fish from fisheries were reduced from around 2,433,800 tons in 1997 to 1,370,140 tons in 2020. This resulted from the reduction in the amount of fish in nature, overfishing, and the government's measures to control wild fishing and ensure that it is carried out in accordance with the

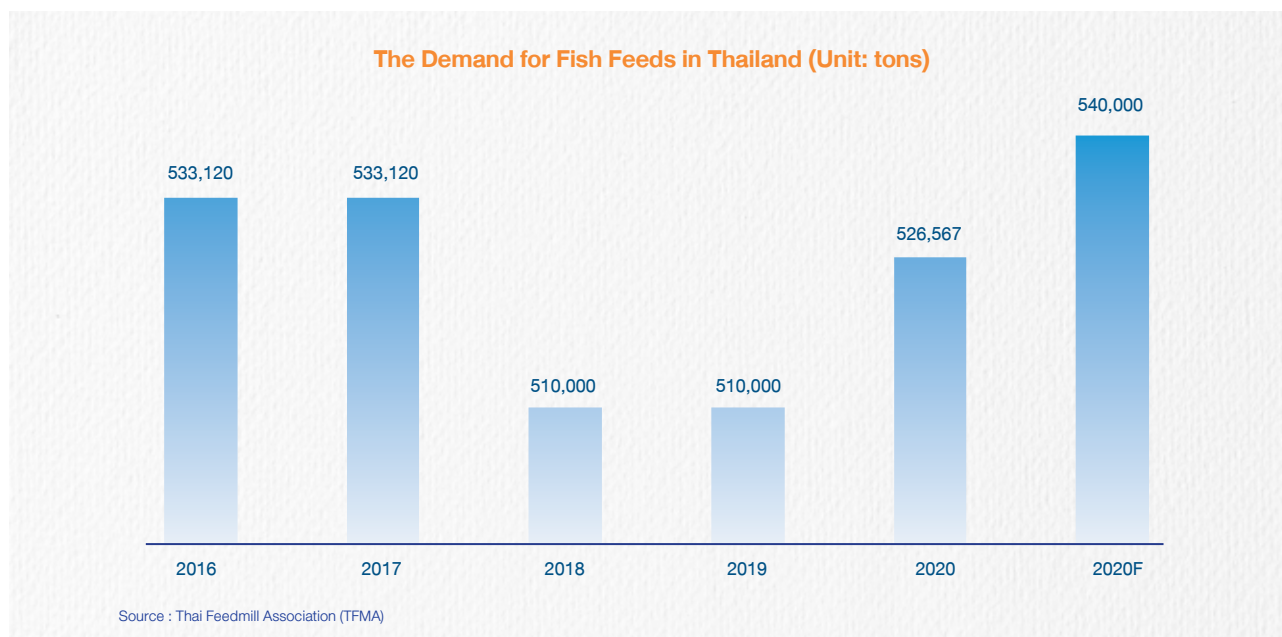
law, natural disasters, and the advancement in knowledge and technology in fish farming in Thailand which has seen constant progress.

Fish farming can be divided into types according to the nature of fish farms, namely (1) freshwater fish, mostly tilapia and catfish; and (2) marine fish which consists mostly of snappers. During 2017 - 2020, most fish products from fish farms in Thailand, or 90 - 95 percent of the products in that period, were from freshwater fish farms. In the same period, around 5-10 percent of the total fish products from fish farms were from marine farms.



From the estimates of the Fisheries Development Policy and Planning Division as of November 2021, the amount of fish from fish farms would increase by 5 percent year-on-year as the price of fish rose towards the end of year. This provided an incentive for agriculturalists to increase their production. Moreover, the ease of the COVID-19 pandemic resulted in higher consumption of fish.

The production of fish feeds varies according to the demand for fish feeds, which in turns depends on the amount of fish farming in the country. Based on the estimates by the Thai Feedmill Association, it was expected that in 2021, the total amount of fish feeds would be 540,000 tons, representing an increase from that of the previous year, which was at approximately 526,567 tons.



2.2.2.2 Competition and Market Conditions

Thailand's aquaculture feeds industry mainly features domestic competition. Shipping costs constitute an important cost factor that has an impact on competitiveness of animal feeds producers. In Thailand, there are about 8 middle to large entrepreneurs involved in the business of aquaculture feeds production. They are (1) the Company (2) CPF Public Company Limited ("CPF") (3) Betagro Public Company Limited ("Betagro") (4) Cargill Company Limited ("Cargill") (5) Inteqc Company Limited ("INTEQC") (6) Grobest Corporation Company Limited ("Grobest") (7) Asian Sea Corporation Public Company Limited ("ASIAN") and (8) TRF Feedmill Company Limited ("TRF"). Their combined market share are the majority of the sales of shrimp and fish feeds in Thailand while small entrepreneurs' market share is in the minority.

Important factors related to competition in the aquaculture feeds industry are; (1) quality and consistency of products and services, where freshness and nutritional values of the products are key. Determiners are Average Daily Gain (ADG) and Feed Conversion Ratio (FCR) of aquatic animals;

(2) price competitiveness which includes credit limit and credit term; (3) the ability to procure shrimp larvae with high rate of growth; (4) the ability to find markets to accommodate aquaculture products; (5) the ability to deliver products within the determined time; and (6) the ability to provide assistance/knowledge on aquaculture.

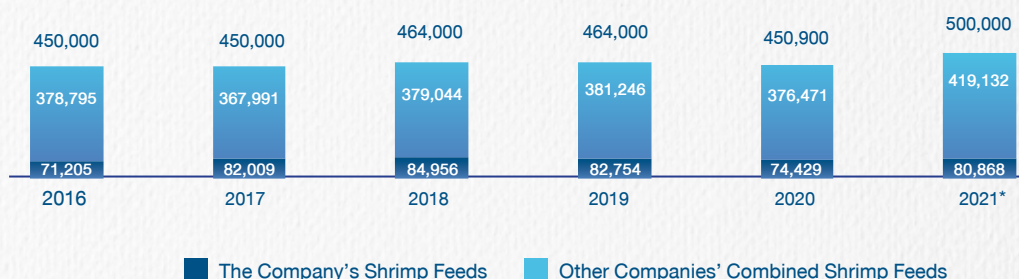
Each group of aquaculture feeds producers focus on different needs of customers. Most middle and large producers mainly emphasize on the production of quality products. This depends on the selection of good raw materials together with the production system that is of international standard. Some plants apply automatic production system to be able to ensure consistent quality of the products, while some small and medium producers may focus on price competition and credit terms. Since the majority of aquaculture feeds entrepreneurs are in the aquatic animal supply chains (both upstream and downstream industries), or other related industries such as the Company (a company under TU group which is a major seafood processing entrepreneur in Thailand), CPF and Betagro. Thus, middle to large entrepreneurs are quite equipped

with expertise and experience in aquaculture feed industry. They are able to respond to customers' demands/provide additional support for customers in other areas such as the procurement of quality shrimp larvae. These are an important factor that determines the decision to buy aquaculture feeds of customers who are entrepreneurs in the aquaculture industry, as well as exploring markets to accommodate the customers' aquaculture products, and providing knowledge on aquaculture.

(1) The Company's Shrimp Feed Market Share

Between 2016 – 2020, the Company's shrimp feed market share grew from 15.8 percent in 2016 to 16.5 percent in 2020. The estimate of the use of shrimp feeds by the Thai Feedmill Association in 2021 stood at 500,000 tons. This led to lower market share of the Company's shrimp feeds to 16.2 percent in 2021. The sales, however, grew from 74,429 tons in 2020 to 80,868 tons in 2021.

Amount of Shrimp Feeds Sold Compared with the Amount of Shrimp Feeds in the Industry During 2016 – 2021 (Tons)



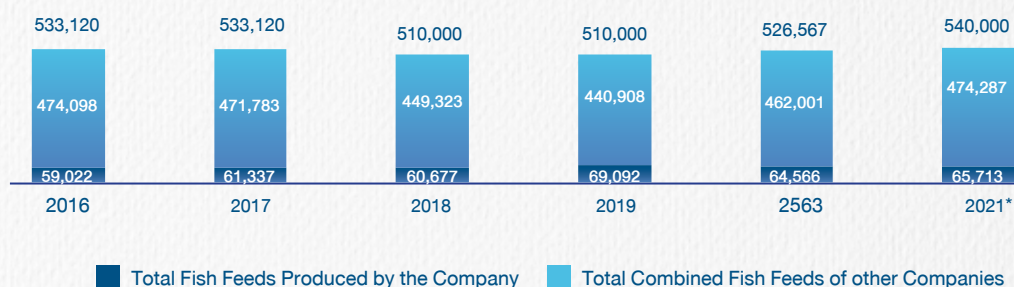
Source: Thai Feedmill Association and the Company's data
*Data for the year 2021 is an estimation of the use of shrimp feeds in Thailand.

(2) The Company's Fish Feed Market Share

Between 2016 – 2020, the Company's fish feed market share grew from 11.1 percent in 2016 to 12.3 percent in 2020. The estimate of the use of fish feeds by the Thai Feedmill

Association in 2021 stood at 540,000 tons. This led to lower market share of the Company's fish feeds to 12.2 percent in 2021. The sales, however, grew from 64,566 tons in 2020 to 65,713 tons in 2021.

Amount of Fish Feeds Sold Compared with the Amount of Fish Feeds in the Industry During 2016 – 2021 (Tons)



Source: Thai Feedmill Association and the Company's data
*Data for the year 2021 is an estimation of the use of fish feeds in Thailand.



Having plants in two regions
 is beneficial in terms of risk
 management, should any one
 of the plants becomes dysfunctional.

2.2.3 Procurement of Goods and Raw Materials for the Production

2.2.3.1 Production Bases and Capacity

As of 31 December 2021, the Company had 1 **Head Office** located in Mueang Samut Sakhon District, Samut Sakhon Province and 2 manufacturing plants, namely (1) **Mahachai Plant** which is located in Mueang Samut Sakhon District, Samut Sakhon Province and (2) **Ranot Plant** which is located

in Ranot District, Songkhla Province. Locations of the two plants are suitable to the Company's aquaculture feeds production since they are in the central and southern regions where important animal farming activities are located, especially aquaculture. This saves the Company's shipping costs. Moreover, having plants in two regions are beneficial in terms of risk management should any one of the plants becomes dysfunctional.

Since animal feeds production is a business that is promoted with tax benefits by the government, in order for the Company to manage tax-related expenses efficiently, in general, the Company mainly uses machineries with BOI Capacity in its production. The Company may use certain old production lines that are not benefited from tax incentives provided by the BOI only in the case where the order exceeds the BOI

Capacity, and the Company has come to a decision that it is not necessary to invest in additional machineries to receive BOI benefits. The Company has a utilization rate that has been calculated from the amount and capacity of animal feeds production at around 54-61 percent during 2019 – 2021. Details are as follows:

Item	Total Capacity		
	As of / for the year ending on 31 December		
	2019	2020	2021
Shrimp Feeds (Mahachai and Ranot Plants)			
1. Mahachai Plant			
Maximum production capacity (metric ton/period)	144,000	100,800	100,800
Actual production amount (metric ton/period)	60,935	53,491	61,975
Utilization Rate (Percentage)	42.3	53.1	61.5
2. Ranot Plant			
Maximum production capacity (metric ton/period)	66,000	66,000	66,000
Actual production amount (metric ton/period)	24,772	23,927	21,764
Utilization Rate (Percentage)	37.5	36.3	33.0
Average Utilization Rate for the Production of Shrimp Feeds (Percentage)	40.8	46.4	50.2
Fish Feeds (Mahachai Plant)			
Maximum production capacity (metric ton/period)	72,000	72,000	90,000
Actual production amount (metric ton/period)	67,937	63,437	65,043
Utilization Rate for the Production of Fish Feeds (Percentage)	94.4	88.1	72.3
Average Utilization Rate for the Production of Aquaculture Feeds (Percentage)	54.5	59.0	57.9
Livestock Feeds (Ranot Plant)			
Maximum production capacity (metric ton/period)	30,000	30,000	30,000
Actual production amount (metric ton/period)	14,461	22,033	23,441
Utilization Rate for the Production of Livestock Feeds (Percentage)	48.2	73.4	78.1
Average Utilization Rate for the Production of Animal Feeds (Percentage)	53.9	60.6	60.0

Remark: Maximum production capacity is calculated from the machine production capacity x production capacity (metric tons/hr) x 26 working days x number of months in each period.



2.2.3.2 Procurement of Raw Materials

Raw materials that are used in the Company's animal feeds productions can be categorized into 4 groups, namely (1) fish meal and chicken meal (2) soybean meal (3) flour (collectively called "main raw materials") and (4) other raw materials. The Company's cost of procuring main raw materials amounted to more than 65 percent of the total raw material expenses during 2019-2021. Other raw materials include vitamins and minerals, additives, and containers.

Over 80 percent of raw materials expenses during 2019 - 2021 were for materials sourced from domestic producers/importers. The rest were for materials sourced from producers/distributors abroad. The proportion of raw materials from the top ten suppliers amounted to approximately 50 - 60 percent of the total raw materials supplied during 2019 - 2021. The Company does not source raw materials from any one supplier more than 20 percent of the total value of raw material expenses at any time.

The Company seeks to produce the best quality animal feeds. Therefore, the Company prioritizes quality of raw materials which affect the Average Daily Gain (ADG) and Feed Conversion Ratio (FCR) of animals. The Company only purchases raw materials from suppliers in the Company's Approved Vendor List which has been verified that vendors on the list supply quality raw materials with acceptable standards. The credit term that the Company receives from suppliers is usually between 7- 60 days.

For the majority of raw materials, the Company agrees on price and amount of a raw materials with each supplier in advance and on a quarterly basis (depending on the market conditions at any one time both in terms of the price tendency and the supply of raw materials in the market). Each week, the Company, together with each supplier, come up with the raw materials delivery plan based on the Company's raw materials utilization plan. This is to ensure consistent production with fresh raw materials. The Company's procurement team monitors the conditions on the amount and price of raw materials closely and constantly in order to decide and plan the purchase in accordance with the supply and price conditions. At a time when a raw material has a tendency to be insufficient or to have an increase in price, the procurement team will coordinate with the supplier of that raw materials to agree on the price and determine the amount to be delivered for each period in advance. The procurement team may also decide to have some spare raw materials in order to ensure that the Company can obtain sufficient raw materials at appropriate costs. The Company has a policy to have spare raw materials in safety stock for at least 15 days. Details of each raw materials and its procurement plan are as follows:

(1) Fish Meal

Is sourced from legal and quality fisheries. Fish meal is a good source of protein and is one of the important protein sources in animal feeds.

The Company procures fish meal from fish meal production plants in Thailand. These include fish meal plants under the TU Group such as Jana Fish Industries Company Limited (Jana), TC Union Agrotech Company Limited (TC Union), and SPF Diana (Thailand) Company Limited, as well as fish meal from abroad that have received IFFO Standard for Responsible Supply Chain of Custody (IFFO RSCoC)

(2) Soybean Meal

Is a byproduct from the production of soybean oil. Soybean meal is another important source of protein in animal feeds since it is a major plant-based protein source.

Soybean meal can be procured from soybean oil production plants. The Company procures this from external producers which are major producers of soybean meal.

(3) Flour

Is a raw material that provides energy for animals. Flour is made from corn, wheat and tapioca. They can generally be sourced from within Thailand. Some is imported from abroad from external distributors. (Wheatflour is imported and procured through E-Auction System).

(4) Other Raw Materials

(4.1) Vitamins and Minerals

Vitamins and minerals are in the form of chemical compounds since only a small amount is used in the feeds formular. They are usually premixed and are usually called “premixed substance”. Sometimes, they are called “supplements”.

The Company sources vitamins and minerals from quality external distributors.

(4.2) **Lipid Raw Materials** are raw materials that provide energy, give out essential lipid acid, and dissolve certain vitamins. Sometimes, they are used as flavoring agent to stimulate animals to consume more feeds. Oil that the Company uses in animal feeds is categorized into two major types:

- (1) Animal oil, namely fish oil. This is a product and byproduct of frozen tuna plants. The Company sources fish oil from plants that process byproducts in Thailand, as well as plants that produce raw materials for animal feeds under TU Group such as Jana, TC Union, and SPF.
- (2) Plant oil such as soybean oil. The Company procures quality plant oil from external plant oil manufacturers in Thailand.

(4.3) Additives

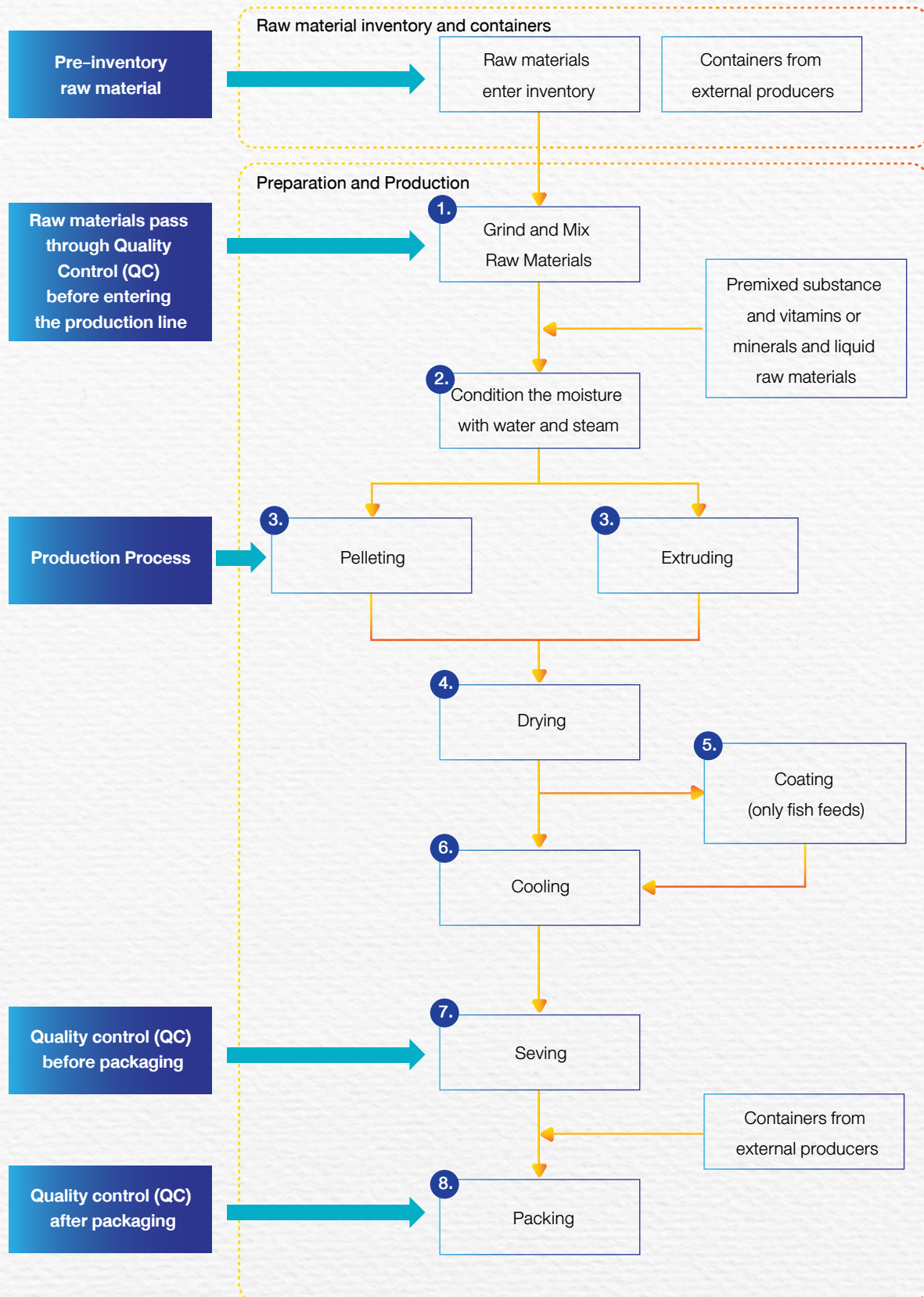
- (1) Binders – make feeds last in water.
- (2) Feeds favoring agents – help enhance smells and flavors of the feeds.

(4.4) **Containers** – are packaging materials for the Company’s products. They are made from materials that prevent moisture from contacting the feeds. This is to prolong the shelflife of feeds. Containers are to be tested for their physical qualities, ensuring that they are of the correct brand, size, color, width, length, registration, and have the features as written on the labels. The Company procures containers from external suppliers in Thailand.

In the procurement of raw materials both at Mahachai and Ranot plants, there are both cases where the suppliers are responsible for the shipping and where the Company picks up the raw materials from the suppliers’ premises.



2.2.3.3 Production Process



2.2.3.4 Law and Regulations Related to the Business Operations

(1) Laws Relating to the Production, Importation and Distribution of Animal Feeds

In 2015, the National Legislative Assembly of Thailand approved the Animal Feed Quality Control Act B.E. 2558 (2015) (“Animal Feed Quality Control Act”). This Act replaces the Animal Feed Control Act B.E. 2525 (1982) (including amendments).

The Animal Feed Quality Control Act determines that those who wish to produce for sale, import for sale, and sell specifically controlled animal feeds as prescribed by the Notification of the Minister of Agriculture and Cooperatives must apply for license from the Director-General of the Department of Livestock Development or a person authorized by the Director-General of the Department of Livestock Development prior to the conduct of such activity. The Ministerial Notification on the Determination of Specifically Controlled Animal Feed B.E. 2558 (2015) prescribes mixed animal feeds for tiger prawns, freshwater prawns, herbivorous freshwater fish, carnivorous freshwater fish, carnivorous marine fish, frogs, broilers, layers, local chicken, duck layers, duck, quails, pigs, beef cattle, and milk cattle are specifically controlled animal feeds according to the Animal Feed Quality Control Act.

The Animal Feed Quality Control Act prescribes three classifications of licenses, namely (1) license to produce specifically controlled animal feeds with the validity of three years from the date of issue; (2) license to import specifically controlled animal feeds with the validity of one year from the date of issue; and (3) license to sell specifically controlled animal feed with the validity until the end date of the calendar year in which the license is granted. The

licensee who wishes to renew his or her license shall submit an application before the expiry date of the relevant license. After submitting the application, the licensee shall continue with the operation until the licensor refuses to renew the application. Moreover, the application must be decided upon within thirty days after the date of the receipt of the application with complete documents. In case the licensee wishes to submit the renewal application after the license’s expiry date, he or she may do so within thirty days after the expiry date together with reasons for not being able to submit a license renewal application in time.

If it is found that a person produces or imports specifically controlled animal feeds without license, that person is liable to imprisonment for a term not exceeding three years or to a fine not exceeding THB sixty thousand or to both. If a person is found to sell animal feeds without license, that person is liable to imprisonment for a term not exceeding one year or to a fine not exceeding THB twenty thousand or to both. In case the offender is a juristic person as a result of a directive or action of any person or of a failure to issue an order or to perform the required duties of the managing director, manager/director, or a person responsible for the operation of such juristic person in accordance with the Animal Feed Quality Control Act, such person shall be liable to the punishment prescribed for such offence.

Moreover, under the same Act, after an entrepreneur has been granted a license to produce or import animal feeds, the licensee shall register the animal feeds to the Department of Livestock Development. The licensee may produce or import such animal feeds only after receiving a certificate of registration. The certificate of registration of animal feeds does not have an expiry date unless annulled or revoked.





(2) Laws Relating to the Importation of Raw Materials for the Production of Animal Feeds

The Ministry of Commerce Regulation on the Criteria, Procedure and Conditions for the Application and Permission to Import Wheat into the Kingdom (including amendments) stipulates that any person who wishes to import wheat into the Kingdom for the purpose of producing animal feeds must apply for a license from the Director-General of the Department of Foreign Trade, who will only permit the importation of wheat as necessary for the production of shrimp feeds. The amount is to be certified by the Department of Fisheries.

The Regulation of the Department of Fisheries on the Criteria to Certify the Amount of Wheat necessary to Produce Shrimp Feeds and the Issuance of Certification of the Amount of Wheat to be used for the Production of Shrimp Feeds B.E. 2560 (2017) stipulates that the Department of Fisheries may issue a certification on the amount of wheat for the production of shrimp feeds as necessary. An entrepreneur may have wheat as a composition in shrimp feeds of not more than 20 percent.

(3) Laws Relating to Public Health

The Public Health Act B.E. 2535 (1992) (including amendments) (“**Public Health Act**”) stipulates that the Minister of Public Health, with the advice of the Committee of Public Health, may prescribe any business being hazardous to health. The local government has the power to issue local ordinances prescribing category of certain business or business listed in the Notification of the Minister of Public Health on Business that is Hazardous to Health, as controlled business within such locality and prescribing general rules and conditions in respect of care of conditions or hygiene of the place used for business operation, and preventive measures against health hazards.

To produce, mill, meal, grind, mix, pack, collect or conduct any other action on animals or plants or parts of animals or plants for the purpose of producing animal feeds or ingredients of animal feeds is considered a business hazardous to health and is a controlled business under the Kalong Subdistrict Administrative Organization, Mueang Samut Sakhon District, Samut Sakhon Province.

Any person who wishes to conduct a business that is hazardous to health which is a controlled business in a locality shall apply for a license from the local competent official. The license is valid for one year from the date of issue. It shall only be valid in the jurisdiction of the locality where the license is issued. The licensee is to submit the application to renew the license prior to the expiry date. After submitting the application, the licensee shall continue with the operation until the application for the renewal is denied. Any person who operates a business that is hazardous to health which is a controlled business in a locality without a license shall be liable to imprisonment for a term not exceeding six months or to a fine not exceeding fifty thousand baht or to both. In case the offender is a juristic person as a result of a directive or action of any person or of a failure to issue an order or to perform the required duties of the managing director, manager/director, or a person responsible for the operation of such juristic person in accordance with the Public Health Act, such person shall be liable to the punishment prescribed for such offence.

(4) Laws Relating to the Operation of Manufacturing Plants

The Factory Act B.E. 2535 (1992) (including amendments) (“**Factory Act**”) stipulates three categories of factory depending on the type, kind and size as provided for in a ministerial regulation. The first category of factory/plant is a factory/plant that is capable of engaging in a factory business immediately without the need to notify or apply for license from a relevant government agency. The second category of factory/plant is a factory/plant that needs to notify the Grantor (or the permitting authority) before engaging in a factory business. The third category of factory/plant is the factory/plant that needs to be granted a License to Engage in a Factory business (“**License to Engage in a Factory Business**”) from the Permanent Secretary of the Ministry of Industry or a person authorized by the Permanent Secretary of the Ministry of Industry prior to engaging in a factory business. This also applies to the expansion of factory/plant or the



increase of production capacity. The licensee shall apply for license prior to such action. The Ministerial Regulation B.E. 2535 (1992) (including amendments), by virtue of the Factory Act, has stipulated the type, kind, and size for the three categories of factory/plant above. The categorization mainly takes into account the type and size (including horse powers and the number of workers). For instance, a factory/plant that produces mixed feeds or ready feeds for animals have machineries not exceeding 50 horse powers is considered to be in the second category. If that factory/plant has machineries exceeding 50 horse powers, then it is in the third category.

Entrepreneurs shall follow the provisions prescribed in ministerial regulations and other relevant rules and regulations which include the following aspects (1) location, the environment, nature of the factory/plant building, and the interior of the factory/plant (2) machineries, equipment or other objects used in the factory business (3) adherence to labor-related laws (4) control the discharge of wastes, pollutants, or anything that affects the environment, including wastewater treatment and noise control (5) safety of factory business and (6) other provisions stipulated in the License to Engage in a Factory Business. In general, any person who operates the third category of factory/plant without license is liable to imprisonment for a term not exceeding two years or to a fine not exceeding two hundred thousand

baht or to both. In case the offender is a juristic person as a result of a directive or action of any person or of a failure to issue an order or to perform the required duties of the managing director, manager/director, or a person responsible for the operation of such juristic person, such person shall be liable to the punishment prescribed for such offence.

In case, the entrepreneur engaging in a factory business does not follow the directives of the competent officials without any reasonable grounds or engage in an activity that may cause hazard, damage or grave disturbance to an individual or asset in the factory/plant or the surrounding, the Permanent Secretary of the Ministry of Industry or a person authorized by the Permanent Secretary of the Ministry of Industry shall have the power to order a suspension of the entire or part of the factory operation and to improve or rectify the action. If this is not carried out within the determined period, the Permanent Secretary of the Ministry of Industry or a person authorized by the Permanent Secretary of the Ministry of Industry has the power to order the closure of factory/plant. The closure order also has an effect of revoking the license to engage in a factory business for the third category of factory/plant.

At present, the Company has been granted all the necessary licenses for the Company's business operations.

2.2.4 Assets used in Business Operations

2.2.4.1 Core Fixed Assets

As of 31 December 2021, the Company had 2 types of core fixed assets used in business operations, namely, property, plant, and equipment owned by the Company, and right-of-use assets. Details are as follows:

Property, Plant and Equipment

As of 31 December 2021, the Company possessed the following core fixed assets used in business operations; land and land

improvements, buildings and building improvements, machinery and factory equipment, furniture, fixtures and office equipment, vehicles, and assets under construction, owned by the Company (recorded under property, plant, and equipment item in the financial statements). The total net value according to the list in the Company's total financial statements was THB 1,587.5 million or 47.5 percent of the total assets. Details are as follows:

Item	Type of Ownership	Net Value (THB million)	Obligation
1. Land and land improvements	Company-owned	331.5	- none -
2. Buildings and building improvements	Company-owned	286.0	- none -
3. Machinery and factory equipment	Company-owned	503.5	- none -
4. Furniture, fixtures and office equipment	Company-owned	12.3	- none -
5. Vehicles	Company-owned	2.8	- none -
6. Assets under construction	Company-owned	451.4	- none -
Total		1,587.5	

Right-of-use Assets

As of 31 December 2021, the Company possessed the following right-of-use key fixed assets used in business operations; land and land improvements, buildings and building improvements, furniture, fixtures and office equipment, and

vehicles (recorded under right-to-use assets item in the financial statements). The total net value according to the list in the Company's total financial statements was THB 14.9 million or 0.4 percent of the total assets. Details are as follows:

Item	Type of Ownership	Net Value (THB million)	Obligation ¹
1. Land and land improvements	Rented from a party that may be in conflict/an external party	4.1	
2. Buildings and building improvements	Rented from a party that may be in conflict/an external party	7.0	
3. Furniture, fixtures, and office equipment	Rented from a party that may be in conflict/an external party	0.8	
4. Vehicles	Rented from an external party	3.0	
Total		14.9	

Remark: ¹ Right-of-use assets are those that the Company does not have ownership.

(1) Land and Land Improvements

Location and area (Rai-Ngan-Wa)	Intention of Use	Type of Ownership	Net Value (THB million)	Obligation
Portions owned by the Company (recorded under property, plant and equipment item)				
Land and land improvements of the plant in Samut Sakhon in Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province. A total of 5 lots with the total area of 92-0-95.1 Rai	Head Office, aquaculture feeds plant, and aquaculture farm	Company-owned	77.2	- none -
Land and land improvements of the plant in Songkhla. Pak Trae Sub-district, Ranot District, Songkhla Province. A total of 5 lots with the total area of 39-0-30 Rai.	Office, and aquaculture feeds plant	Company-owned	22.9	- none -
Land and land improvements in Indonesia JL Raya Gresik Lamongan KM 39 RT.005 RW.001 Pandanpancur Deket Kab. Lamongan Jawa Ti-mur, Indonesia. A total of 18 lots with the total area of 40-1-15 Rai.	Office, and aquaculture feeds plant (under construction)	Company-owned	224.2	- none -
Improvement to the aquaculture farm	Aquaculture farm	Company-owned	7.2	- none -
Total portions that are owned by the Company			331.5	
Rented Portions (recorded under right-to-use assets item)				
Land in Bang Sak Sub-district, Kantang District, Trang Province. A total of 16 lots with the total area of 177-2-14 Rai.	Aquaculture farm	Rented from a party that may be in conflict	3.0	
Land in Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province. A total of 2 lots with the total area of 49-2-92 Rai.	Aquaculture farm	Rented from a party that may be in conflict	0.2	
Land in Yok Krabut Sub-district, Ban Phaeo District, Samut Sakhon Province. A total of 3 lots with the total area of 96-1-69 Rai.	Aquaculture farm	Rented from an external party	0.4	
Land in Hua Sai Sub-district, Bang Khla District, Chachoengsao Province. A total of 2 lots with the total area of 25-0-59 Rai.	Aquaculture farm	Rented from an external party	0.5	
Total portions of right-to-use assets			4.1	



(2) Buildings and Building Improvements

Nature and Location	Intention of Use	Type of Ownership	Net Value (THB million)	Obligation
Portions owned by the Company (recorded under property, plant and equipment item)				
Buildings and building improvement in Samut Sakhon Plant, Kalong Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province.	Head office, and aquaculture feeds plant	Company-owned	180.2	- none -
Buildings and building improvements in Songkhla Plant, Ranot District, Songkhla Province.	Office and aquaculture feeds plant	Company-owned	105.8	- none -
Total portions that are owned by the Company			286.0	
Rented Portions (recorded under right-to-use assets item)				
Warehouse in Ranot Sub-district, Ranot District, Songkhla Province, with the total area of 1,440 sq.m.	Warehouse	Rented from an external party	1.0	
Area in the Phayathai District Office, Bangkok, with the total area of 20 sq.m.	Office building	Rented from a party that may be in conflict	0.1	
Plant and office buildings of AMG-TFM in Punjab, Pakistan	Plant and Office buildings	Rented from an external party	5.6	
Accommodation for employees of TUKL plant in Indonesia	Employees' accommodation	Rented from an external party	0.3	
Total portions of right-to-use assets			7.0	

(3) Machinery and Factory Equipment

Asset	Location	Intention of Use	Type of Ownership	Net Value (THB million)	Obligation
Machineries for the production of aquaculture feeds	Samut Sakhon Plant, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province	Production of aquaculture feeds	Company-owned	331.7	- none -
Machineries for the production of aquaculture feeds	Songkhla Plant, Ranot District, Songkhla Province	Production of aquaculture feeds	Company-owned	141.3	- none -
Machineries for the production of aquaculture feeds	TUKL Plant in Indonesia	Production of aquaculture feeds	Company-owned	7.7	- none -
Machineries for the production of aquaculture feeds	AMG-TFM Plant in Punjab, Pakistan	Production of aquaculture feeds	Company-owned	22.8	- none -
Total				503.5	

2.2.4.2 Intangible Assets

As of 31 December 2021, the Company had intangible assets, namely, trademarks and computer software. The net value of the assets, according to the Company's financial statements was THB 3.4 million or 0.1 percent of the total assets.

Investments in Subsidiaries

As of 31 December 2021, the Company's value of investment calculated with the cost method was THB 333.1 million or 11.4 percent of the total assets according to separate financial statements. Details of such investments are as follows:

Subsidiary	Proportion of Shareholding (Percent)	Paid-up Capital	Investment calculated with the Cost Method (THB million)
PT Thai Union Kharisma Lestari (TUKL)	65.0	IDR 199,920 million ¹	302.1
AMG-Thaiunion Feedmill (Private) Limited (AMG-TFM)	51.0	PKR 300 million ²	31.0 ²

Remarks:

¹ As of 31 December 2021, TUKL had issued and paid-up capital to the value of IDR 199,920 million (or approximately THB 458 million). This was equal to 19,992,000 shares. Par value per share was IDR 10,000.

² As of 31 December 2021, AMG-TFM had issued and paid-up capital to the value of PKR 300 million (or approximately THB 31.0 million). This was equal to 34,000,000 shares. Par value per share was PKR 100.

2.2.4.3 Policy on Investments in Subsidiaries and Affiliates

The Company has a policy to invest in a business where its executives are also shareholders to ensure that the executive team will supervise and manage such business towards success. At the same time, the Company monitors the undertakings of such business closely, be it in the areas of annual plans, expansion of business, and increase in investments, so that they are under the same direction and policy. An audit unit has been set up to conduct audit on the Company and subsidiaries to monitor compliance with the policies of the Board of Directors in an efficient, transparent, and accountable in every step of the operation.

The Company invests in a business that complements and/or relates to the main business of the Company. The business must have the potential to grow and generate income and

profits for the Company. In the case of a subsidiary or a business that the Company has the authority to control, the management of the subsidiary or business will be in accordance with the Company's policy. The Company may send representatives to be directors and/or executives to take part in the management of the business. This is to be in line with the Company's proportion of shareholding in the business. Every investment must receive an approval from the authorizing entity according to the Company's delegation of authority. The authorizing entity may set up a team to conduct studies on the feasibility and reasonableness of an investment, taking into account the necessity, suitability, and benefits to the Company and shareholders. The investment must be in line with the notification of the Board of the Governors of the Stock Exchange of Thailand, and the Capital Market Supervisory Board.





2.2.4.4 Investment Policy

In order for the Company's operations on investment in various projects, be it domestic and international investments, direct investments, investments and holding of stocks in other businesses or investment in joint ventures, to have good internal control, appropriate risk management in place, and compliance with laws and regulations of relevant regulators, as well as transparency and accountability, the Board of Directors has decided on an investment policy with details as follows:

- 1) The Company invests in a business where its executives are also shareholders to ensure that the executive team will supervise and manage such business towards success. At the same time, the Company monitors the undertakings of such business closely, be it in the area of annual plans, expansion of business, and increase in investments, so that they are under the same direction and policy. An audit unit has been set up to conduct audit on the Company and subsidiaries to monitor compliance with the policies of the Board of Directors in an efficient, transparent, and accountable in every step of the operation.
- 2) The Company prioritizes investments in the Company's key business, namely the commercial production and distribution of animal feeds. In this regard, the Company invests in businesses that support or are related to the Company's main business. The Company will consider the growth potentials and risks of the business it is about to invest in. However, the Company does not conduct any business that is in conflict with the interests of Thai Union Group Public Company Limited.
- 3) In the case of the Company investing in a subsidiary or a business that the Company has the authority to

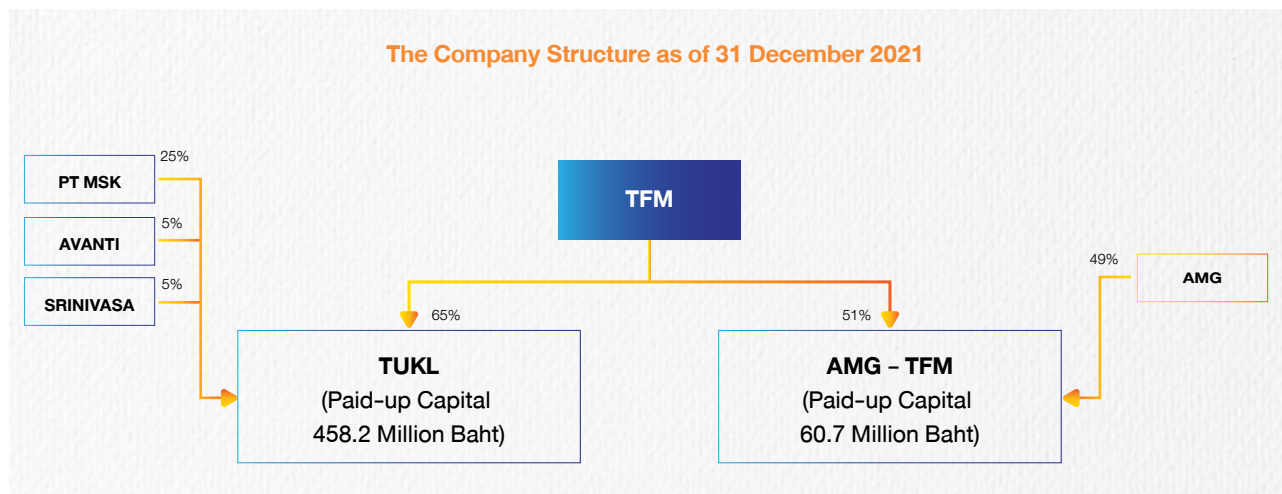
control, the management of the subsidiary or business will be in accordance with the Company's policy. The Company may send representatives to be directors and/or executives to take part in the management of the business. This is to be in line with the Company's proportion of shareholding in the business.

- 4) Every investment must receive an approval from the authorizing entity according to the Company's delegation of authority. The authorizing entity may set up a team to conduct studies on the feasibility and reasonableness of an investment, taking into account the necessity, suitability, and benefits to the Company and shareholders.
- 5) The executives or the team that proposes an investment must consider
 - 5.1 Budget and/or expense needed for the investment, the funding source, and the shareholding structure in the business that the Company is to invest in.
 - 5.2 Business synergy with the Company's business, feasibility of investment, expected returns, risks, management or risk mitigation approaches, as well as other relevant legal aspects.
 - 5.3 Conflict of interest that may arise from the investment.
- 6) Due diligence must be conducted on various issues, namely ultimate shareholders, technical information, financial accounts, as well as other relevant legal aspects.
- 7) For corporate social responsibility (CSR) projects or charity projects or other projects that are important to the Company's reputation, the team may submit details of the projects to the authorizing entity, according to the Company's delegation of authority, for approval on a case by case basis.
- 8) An investment must be in line with the notification of the Board of the Governors of the Stock Exchange of Thailand and the Capital Market Supervisory Board on Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets, and Rules on Connected Transactions.
- 9) Progress and outcomes of the approved projects must be monitored and reported to the relevant committees such as the Budget Committee, and/or the Executive Committee, and/or the Board of Directors at the end of every quarter.



1.3 Shareholding Structure

1.3.1 Shareholding Structure



Remark:

- PT MSK and AVANTI Group hold in proportion of 25.0% and 10.0% respectively of the total paid-up capital shares of TUKL. The paid-up capital of TUKL is calculated in Baht currency.
- AMG group holds 49.0% of the total paid-up capital share of AMG-TFM. The paid-up capital of AMG-TFM is calculated in Baht currency.

No.	Company Name	Head Office	Type of Business	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)	Total of paid-up share	No. of share-holding	% of share-holding	Type of share
1	PT Thai Union Kharisma Lestari Limited (TUKL) Tel: +62 (0) 31-7491000	Indonesia	Manufacturer and distributor of animal feeds	458.2	458.2	19,992,000 shares	12,994,800 shares	65%	Common share
2	AMG-Thaiunion Feedmill (Private) Limited (AMG-TFM) Tel: +92 (0) 34-58460707	Pakistan	Manufacturer and distributor of animal feeds	60.7	60.7	30,000,000 shares	15,300,000 shares	51%	Common share



1.3.2 Major Shareholders

(1) Top 10 major shareholders as of record date on 30 December 2021 shall be as follow:

Name of shareholders	No. of share	%
1. Thai Union Group Public Company Limited ¹	255,000,075	51.00
2. Group of Mr. Rittirong Boonmechote ²		
2.1 Mr. Rittirong Boonmechote	59,190,500	11.84
2.2 Mrs. Nittaya Boonmechote	4,500,000	0.90
Total share of group of Mr. Rittirong Boonmechote	63,690,500	12.74
3. Mr. Bunluesak Sorajjakit	15,500,000	3.10
4. Ms. Rungtiwa Boonmechote	9,425,000	1.89
5. Master Kantapong Piempongsuk	7,500,000	1.50
6. Mr. Sukson Yasasin	6,977,300	1.40
7. Mr. Chinnachot Boonmechote	5,625,000	1.13
8. Mr. Chotiwat Boonmechote	5,000,000	1.00
9. Mr. Thanachote Boonmechote	4,125,000	0.83
10. Mr. Boonpaween Boonmechote	4,125,000	0.83
11. Other shareholders	123,032,125	24.61
Total	500,000,000	100.0

Remark:

¹ Top 10 shareholders of TU as of record date on 30 December 2021 which including their associates and persons who are under controlling persons shall be as follow:

Top 10 shareholders of TU	No. of share	%
1. Chansiri Family	935,296,296	19.60
2. Thai NVDR Company Limited	632,685,519	13.26
3. MITSUBISHI CORPORATION	347,745,120	7.29
4. Niruttinanon Family	327,242,084	6.86
5. Social Security Office	216,707,008	4.54
6. Ms. Jarunee Chinwongworkul	152,421,200	3.19
7. STATE STREET EUROPE LIMITED	118,776,424	2.49
8. Thai Union Group Public Company Limited*	116,682,800	2.45
9. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	99,471,038	2.08
10. Boonmechote Family	84,242,980	1.77
Total share	3,031,270,469	63.53

Remarks:

* No. of treasury stock of TU.

² Mrs. Nittaya Boonmechote is a spouse of Mr. Rittirong Boonmechote.

(2) Agreement between major shareholders affecting the issuance and offering of shares or the management of the Company and subsidiaries and business' operation

The Company has no agreement between shareholders of the Company. However, the Company has entered into joint venture agreement with the shareholders of the subsidiaries.

Report on Change of Shareholding of Directors and Management in 2021

As of 31 December 2021

No.	Name	Position	No. of shareholding as of 29 October 2021*	No. of shareholding as of 31 December 2021	No. of share which change (increase/decrease) in 2021	% of shareholding
1	Mr. Rittirong Boonmechote	Chairman of the Board of Director and Chairman of the Executive Committee	59,190,500	59,190,500	-	11.84%
	Spouse and minor child		4,500,000	4,500,000	-	0.90%
2	Mr. Thiraphong Chansiri	Director and Member of the Executive Committee	250,025	3,250,000	3,000,000	0.65%
	Spouse and minor child		-	-	-	-
3	Mr. Cheng Niruttinanon	Director	250,025	250,025	-	0.05%
	Spouse and minor child		6,800	6,800	-	0.00%
4	Mr. Chan Shue Chung	Director	250,000	250,000	-	0.05%
	Spouse and minor child		-	-	-	-
5	Mr. Bunluesak Sorajjakit	Director, Member of the Executive Committee and Chief Executive Officer	15,500,000	15,500,000	-	3.10%
	Spouse and minor child		-	-	-	-
6	Mr. Kanit Vallayapet	Director	-	-	-	-
	Spouse and minor child		-	-	-	-
7	Mrs. Rachadaporn Rajchadaewindra	Chairman of the Audit Committee and Independent Director	-	-	-	-
	Spouse and minor child		-	-	-	-
8	Dr. Somchai Thaisa-nguangvorakul	Member of the Audit Committee and Independent Director	-	-	-	-
	Spouse and minor child		-	-	-	-
9	Mrs. Morragot Kulatumyotin	Member of the Audit Committee and Independent Director	-	-	-	-
	Spouse and minor child		-	-	-	-

No.	Name	Position	No. of shareholding as of 29 October 2021*	No. of shareholding as of 31 December 2021	No. of share which change (increase/decrease) in 2021	% of shareholding
10	Mr. Suchat Yuddon	Senior Vice President and (Acting) Vice President - Sales and Marketing	-	-	-	-
	Spouse and minor child		-	-	-	-
11	Mr. Sukson Wongchuwong	Chief Financial Officer / Company Secretary	-	-	-	-
	Spouse and minor child		-	-	-	-
12	Mr. Kissakon Chodkamolvorapat	Vice President – Plant Operations	-	-	-	-
	Spouse and minor child		-	-	-	-
13	Mr. Preecha Bangnokkhwaek	Vice President – Research and Development	-	-	-	-
	Spouse and minor child		-	-	-	-
14	Mr. Komgrit Pavasuttinon	Vice President - Accounting, Finance and Credit Control	-	-	-	-
	Spouse and minor child		-	-	-	-
15	Ms. Kanthima Reanarom	Accounting Manager	-	-	-	-
	Spouse and minor child		-	-	-	-
16	Mrs. Savitri Jaiprasong	Financial Manager	-	-	-	-
	Spouse and minor child		-	-	-	-

* The first trading day on the Stock Exchange of Thailand.

1.4 No. of Registered and Paid-up Capital

As of 31 December 2021, the registered capital of the Company shall be 1,000,000,000 Baht, comprising of 500,000,000 shares with the par value of 2 Baht per share. The total of shares has been paid-up.

1.5 Issuance of other Securities

None

1.6 Dividend Payment Policy

Dividend Payment Policy of the Company

The Board of Directors may consider the annual dividend payment of the Company. This must be approved at the Shareholders' Meeting unless it is an interim dividend payment which the Board of Directors has the authority to approve a dividend payment from time to time when the

Board of Directors deems that the Company has appropriate profits to do so. The Board of Directors shall report such interim dividend payment to the next shareholders' meeting.

The Company has a policy to pay dividend to shareholders at least 2 times a year with the total amount of not less than 50% of the net profit according to the consolidated financial statements of the Company after the deduction of all types of reserves required by the Company's Article of Association and laws. Such dividend payment shall not over the retained earnings of the Company's financial statements. The Board of Directors will consider a dividend payout by considering various factors for the benefit of shareholders, such as economic conditions, operating results, financial position, cash flow, investment plan, reserves for future investments, reserves for loan payments, or as working capital

within the Company. The conditions and restrictions specified in the loan agreement and the dividend payment do not significantly affect the normal business operations of the Company as the Board of Directors deems appropriate or suitable.

Dividend Payment Policy of the Subsidiaries

The Board of Directors of the subsidiaries may consider the annual dividend payment of the subsidiaries. This must be approved at the Shareholders' Meeting of the subsidiaries unless it is an interim dividend payment which the Board of Directors of the subsidiaries have the authority to approve a dividend payment from time to time when the Board of Directors of the subsidiaries deems that the subsidiaries have appropriate profits to do so. The Board of Directors of the subsidiaries shall report such interim dividend payment to the next shareholders' meeting of the subsidiaries.

The subsidiaries have a policy to pay dividend to shareholders at least 2 times a year with the total amount of not less than 50% of the net profit according to the consolidated financial statements of the subsidiaries after the deduction of all types of reserves required by the subsidiaries' Article of Association and laws (in the case that the subsidiaries do not

have a consolidated financial statement, they will consider paying dividends from the separate financial statements of such subsidiaries). Such dividend payment shall not over the retained earnings of the subsidiaries' financial statements. The Board of Directors the subsidiaries will consider a dividend payout by considering various factors for the benefit of shareholders, such as economic conditions, operating results, financial position, cash flow, investment plan, reserves for future investments, reserves for loan payments, or as working capital within the subsidiaries. The conditions and restrictions specified in the loan agreement and the dividend payment do not significantly affect the normal business operations of the subsidiaries as the Board of Directors of the subsidiaries deems appropriate or suitable.

PT Thai Union Kharisma Lestari (TUKL), subsidiary of the Company, has entered into loan agreement with financial institute for plant construction, purchasing machine, and working capital of TUKL. This loan agreement has a condition that during the balance of the loan under this agreement, TUKL agrees not dividend payment or return the funds or assets to the shareholders and/or directors of TUKL.

Dividend Payment Information

	2019	2020	2021
Earning per share	2.05 Baht	1.00 Baht	0.50 Baht
Dividend per share	1.95 Baht	0.60 Baht	1.15 Baht
Dividend payout ratio (%)	95.09%	59.75%	230.00% ¹

Remark:

¹ In 2021, the Company paid dividend from net profit at the rate of THB 0.40 per share while earning per share was at THB 0.50 (The weighted average number of shares was 425 million shares). This represents the dividend payout ratio at 83.9% of net profit. The Company also paid dividend from retained earning at the rate of THB 0.76 per share (The amount of share before IPO was 410 million shares) and this represents the dividend payout ratio at 98.5% of net profit.



Risk Management



The Company has a duty to oversee its risk management in an appropriate and efficient manner. The Risk Management Team has been tasked by the Board of Directors to develop risk management process as well as report key risks of the Company's business group to the Board of Directors regularly. The Risk Management Team is responsible for the regular assessment of risk factors both from within and outside of the organization. It consists of executives and high-ranking executives in the fields related to corresponding risk factors. The assessment is made to identify causes of risks in order to determine risk management measures and translate them into operational guidelines to prevent or mitigate the risks. The Risk Management Team is to monitor the implementation of the prescribed measures as well as coordinate with the Audit Committee to further report to the Board of Directors.

2.1 Policy and Plans on Risk Management

The Company is fully aware that effective risk management and mitigation is an integral part of the Company's business operations. The Company encourages employees to have a positive attitude to risks and understand inherent risks in this line of business. Together with having the right tools and processes, effective risk management requires the right culture and behaviors across the organization.

Risk Management Culture

The Company is committed to promote risk management culture among employees of all levels, starting with the leaders of the organization. The Board of Directors promotes and supervises a systematic risk management process that is integral of the organizational culture. Policy, frameworks, and guidelines are communicated. The risk management structure has been established. Apart from these, risk management has become a key factor in the business decision-making process. In some cases, risk management plans may incur higher costs or adjustments to the operations. However, this is not an excuse not to have risk management in place. The Company has implemented risk management in a practical manner. This includes the commitment to sustainable development, disciplines, and business ethics as well as effective internal control.

Moreover, the Company encourages employees to be aware of the risk management process from their first day at work, through orientation, trainings, activities, and dissemination of information and news, as well as incentives such as the measurement and evaluation of performance related to risk management.

2.2 Risk Factors

Risk factors to the Company's business operations that may have significant impact on the returns to investment and approaches to prevent such risks can be summarized as follows:

(1) Acute Epidemic in Aquatic Animals

Epidemic is one of the key risk factors for aquaculture industry since epidemic has a potential to cause severe, sudden, and widespread damage. In the past, Thailand experienced an acute epidemic in aquatic animals, namely the Early Mortality Syndrome or EMS in prawns. In 2012, EMS caused a significant reduction to the amount of prawns produced in Thailand from around 540,000 tons in 2012 to around 250,000 and 200,000 tons in 2013 and 2014 respectively. The amount of prawn feeds in the country was reduced from 810,000 tons in 2012 to around 375,000 tons and 300,000 tons in 2013 and 2014 respectively (information from the Thai Feed Mill Association). Hence, the Company may be prone to risk from acute epidemic in aquatic animals in the future. Such epidemic may affect prawns and/or fish. Should it occur, it will have a negative impact on aquaculture and the overall demand for aquaculture feeds in the industry, as well as the amount of production and sales of aquaculture feeds, income, performance, and cash flow of the Company to a significant degree.

However, over the years, the National Science and Technology Development Agency (NSTDA) and the private sectors as well as the Company have realized the importance of research and development to apply technology to the prawn breeding industry in areas such as improvement to breeds, sanitary improvement to how prawn breeding is done to prevent diseases and allow for quick diagnoses of diseases. These have made Thailand an advanced country in terms of prawn breeding technology, which may in turn reduce the chance of acute epidemic emerging, and/or allow for timely rectification and reduction of damage when an epidemic occurs. The Company, through its academic department, has also provide information and knowledge to aquaculture farmers.

(2) Prawn Production Industry Relies Mainly on Export Markets

In the years 2018, 2019, 2020 and 2021, the Company's income from the production and sales of prawn feeds amounted to THB 2,540.5 million, THB 2,430.1 million, 2,100.4 million and THB 2,395.7 million Baht or 50 - 52 percent of the total income of the Company in the respective years. Since Thailand's prawn production industry heavily relies on export markets, where 48-69 percent of the total sea prawn production in Thailand (including prawns from farms and imports), during 2018-2020 were exported. Key importers were the U.S., Japan, and the ASEAN region.

The Amount of Thailand's Prawn Exports in the Years 2019 - 2021

Country / Region	Year ending 31 December					
	2019		2020		6 month 2021	
	Ton	Percentage	Ton	Percentage	Ton	Percentage
1. USA	43,215	24.5	43,730	29.3	17,516	24.8
2. Japan	39,086	22.1	32,221	21.6	15,978	22.6
3. ASEAN	20,088	11.4	21,129	14.1	9,482	13.4
4. Other countries	74,107	42.0	52,411	35.1	27,603	39.1
Total Exported Amount	176,496	100.0	149,491	100.0	70,579	100.0

Source: International Fish Trade Analysis Group, Department of Fisheries.



Due to the abovementioned rationale, the amount of prawn breeding in Thailand changes according to; **(1) demand and supply of prawns in the export markets** which varies according to demands of the key importing countries and/or regions and the supply of key exporting countries, namely India, Viet Nam, Indonesia, and Thailand; **(2) competitiveness of Thailand's prawn producers in the export markets** compared to other export countries which take into account factors such as quality of prawns, the ability to manage production costs and production efficiency, foreign exchange rates, and competitiveness arising from the support/trade barriers from key importers including trade barriers for countries that use human labor, and the generalized system of preferences (GSP); and **(3) prices of prawns in the export markets**. In this light, the Company is prone to risk in case there is an incident that has significant negative impact on the amount of prawn exports of Thailand caused by the change in demand and/or supply of prawns in the export markets and/or producers in Thailand loss competitiveness in a significant manner compared to key exporting countries both in terms of the management of production and management of production costs. It may be because other key exporting countries receive trade support from importing countries and/or Thailand faces trade barriers from importing countries and/or there is fluctuation or immense reduction in the price of prawns in the export markets. These may cause significant reduction to the amount of prawn breeding and the demand for prawn feeds in the country, thus causing direct impact on the amount of prawn feeds sold, income, performance, and the Company's cash flow.

Over the years, key exporters in Thailand, namely TU and CPF groups have improved their competitiveness in a number of ways to increase their export competitiveness. These areas

include the production and cost management to increase price competitiveness, and the improvement made to the standards of prawn production in line with international standards where the guidelines on material purchase and tracability have been implemented. Moreover, since the production and export of prawns are deemed an important industry for the country's economy, the government has tried to issue policies, ways or measures to promote competitiveness. Adopting advanced technology in the production process has been encouraged to reduce the use of labor which in turn increases production efficiency and price competitiveness compared to other exporting countries. This also helps address the issue of illegal labor. Fishery measures have been issued to mitigate the Illegal, Unreported and Unregulated (IUU) Fishing in line with the standards prescribed by the Food and Agriculture Organization (FAO). This is to reduce the barrier imposed by key importing countries.

(3) Pandemics and Epidemics

The spread of infectious diseases such as COVID-19, Severe Acute Respiratory Syndrome (SARS), Middle Eastern Respiratory Syndrome (MERS), influenza with subtypes H5N1 or H1N1 may cause significant negative impact on business operations in Thailand and abroad. In January 2020, COVID-19 was spreading in several countries including Thailand, countries in Southeast Asia, Europe and North America. On 11 March 2020, the World Health Organization (WHO) announced the spread of COVID-19 as a pandemic. It started to have significant impacts on economies, causing economic recessions. This resulted in lower demand for domestic consumption of aquatic animals which had come partly from the demand for consumption of foreign tourists. The case in point was the reduction in demand for prawns and snappers. The amount of exported prawns was also reduced. Such factors led to significant reduction in the prices of aquatic animals, causing

direct impact on the amount of aquatic animals in breeding farms and the amount of aquaculture feeds in the country. For the Company, these may have a direct impact on sales and the payback ability of customers of the Company thus significantly affecting the Company's income, performance and cash flow.

Moreover, the COVID-19 pandemic has caused a delay in the Company's investment in Indonesia (through TUKL) by about one year as the Company postponed investments in 2020. This was also caused by the delayed delivery of machineries from the producers. Thus, the launch of business which had been scheduled in 2020 in the investment plan was pushed back. The construction began in 2021 and it is expected that the operations will be launched in the first quarter of 2022.

The Company possesses an effective risk management to cope with the pandemic. From the beginning, the Company had initiated the Crisis Management Teams or CMTs. With great emphasis on health, safety, and well-being of employees, trade partners, customers, and local communities, the Company has strictly adhered to measures stipulated by the government and local authorities, as well as issued safety measures that cover all activities related to the operations both inside the premises and in the field. Such measures include setting up temperature checkpoints, imposing a limit on visitors, setting up hand-washing and alcohol points at entrances and communal areas, readjusting work stations and communal areas to allow for social distancing and sufficient prevention, and asking employees to work from home and take turn coming into the premises as necessary.

From the end of December 2020, a new wave of COVID-19 infection spread quickly in Samut Sakhon. This went on until the beginning of February 2021. During that time, the Company conducted two mass testing arrangements for all employees working in Samut Sakhon and imposed measures to look after infected personnel in line with the government's guidelines. High-risk persons were identified and tested. High-touch points are disinfected thoroughly. Moreover, some of the Company's plants were also in the Bubble and Seal program in accordance with the Government's provisions.

In terms of production and supply chains, apart from the above measures, all plants have had business continuity plans in place since the start of the pandemic. They have

adjusted information and business plans continuously. For instance, they have increased the production and orders of raw materials, assessed the status of the Company's trade partners, and planned to reduce risks from trade partners including avoid relying on one trade partner, and developing plans for back-up plants should any plants had needed to suspend production. As of February 2021, all plants were still in operation. There had been no effect on the production capabilities and deliveries could still be made on time.

Regarding the impact on the progress of investment in Indonesia (through TUKL), the Company has been following up and the matter has been regularly reported to the Board of Directors. The Company has worked to the best of its ability to prepare in advance for TUKL in the installation of machineries to be able to start operations soon after the COVID-19 pandemic eases or ends.

(4) Fluctuation of Raw Materials which may have an Impact on the Company's Raw Material Costs

Raw material costs are considered a significant cost for the Company. During 2018-2020 and in 2021, raw material costs amounted to more than 80 percent of the total cost of sales of the Company. Key raw materials are soybean meals, wheat flour, and fish meal (the three raw materials amounted to more than 65 percent of the costs for raw materials of the Company during 2018-2020 and in 2021). The prices of key raw materials tend to vary according to the demand for raw materials in related industries such as animal feed industry,



and the supply of those raw materials. Since such raw materials have sources in commodities, namely soybeans, wheat and fish, the amount of production of key raw materials thus varies according to the changes in the amount and/or prices of these commodities. This means the production and/or price of each raw material during a particular time may be uncertain and/or fluctuate due to the following factors; (1) demand and supply in the global market; (2) climate; and (3) seasons. These factors are beyond control of the producers of raw materials. Moreover, raw materials take time to mature. Hence, should demand for any of the raw materials suddenly increase, the producer of each raw material may not be able to increase the production in a short period of time, thereby pushing up the price.

Moreover, at times, the government may issue laws and/or measures to control the procurement of some of the raw materials, causing difficulty in procurement or higher costs to acquire them. These include the measures against IUU fishing which reduced the amount of fish meal in the market and caused prices to become higher.

From the abovementioned factors, the Company may be prone to risks in case the price of any of the raw materials fluctuates, resulting in significant costs to the Company in acquiring raw materials, while the Company may not be able to adjust its selling prices for products in line with the rising costs of raw materials. These will have a significant impact on the Company's production costs, profits and performance.

The Company has a systematic procedure to manage risks from fluctuations related to raw materials, from the process of selection of raw material suppliers. The Company procures raw materials from large suppliers to ensure the Company to an extent that the suppliers will be able to provide the Company with raw materials continuously and sufficiently with reasonable prices. As the Company has good relations with each supplier due to long-term partnership and large orders, when the amount of raw materials in the market decreased and/or not sufficient for each buyer's demands, those suppliers would try to manage their inventories so that they were able to meet demands of the Company.

In practice, the Company has assigned the procurement team to follow the situation on the production and prices of raw materials closely and regularly. This information feeds into the

decision to order raw materials so that they are appropriate with the circumstances surrounding the production and prices of raw materials. In some cases, the procurement team would coordinate with suppliers to agree on the prices and the amount of order for each batch in advance. Moreover, the procurement team may keep some spare raw materials that have long shelf-life such as fish meal when such raw material might be lacking from the market, in accordance with the time and necessity. This was to ensure that the Company would be able to find quality raw materials sufficiently according to the demands, at appropriate prices.

Moreover, the Company also has in place an approach to manage risks related to raw materials in a sustainable manner by establishing the research and development team to innovate and develop new raw materials that can be used in the production continuously since 2008. This was to increase the diversity of raw materials used in the production of the Company, and reduce reliance on any raw material. This would also be beneficial to the Company's cost management of raw materials.

(5) Customers' Inability to Pay

Customers of the Company can be categorized into animal feed stores and aquaculture farmers. The majority of them are domestic and international small and medium enterprises (SMEs). As the aquaculture is an industry that needs high initial investment, especially in the first phase of the operations due to the expenses on venue and tools for aquaculture farms, aquatic breeds and aquatic animals' feed. However, since most aquaculture farmers are SMEs who may not be able to find sufficient source of fund for the investment in aquatic animal breeding farms, they turn to loans. Credit limit and credit term are part of the key factors for the aquaculture farmers to decide which products of aquaculture feeds they will buy. The aquaculture feed stores will want even more credit limit and longer credit term for their customers who are aquaculture farmers. Hence, for the benefit of trades, the producer and distributor of aquaculture feeds, including the Company, have adopted an approach of providing credit terms for aquaculture farmers and stores selling aquaculture feeds who may operate on different timelines. The Company sells aquaculture feeds in the form of credit term for almost all its sales. The total period of credit term is not more than 60 days.

Since the main debtors of the Company are stores selling animal feeds and aquaculture farmers who are considered SMEs and the majority of them have their main income from aquaculture business, the success of aquaculture business is a factor that affects the debtors' ability to pay for orders of aquaculture feeds. Therefore, since the Company sells most of the products in credit terms, the Company may be prone to risks from incidents that cause negative impact on the businesses of aquaculture farms such as; acute epidemic of aquatic animals; natural disasters; other negative incidents; and income of aquaculture farmers who are debtors of the Company. The COVID-19 pandemic in 2020 – December 2021 also produced negative and significant impact on the demands for consumption of aquatic animals such as shrimps and snappers and aquaculture feeds. This affected the income of aquaculture farmers and/or income from sales of aquaculture feeds from stores directly, causing delays in payments or the inability to make payment at all. The Company had to register such items under allowance for doubtful accounts and/or bad debts from not receiving payments. As of 31 December 2018, 2019, 2020, and 2021, the Company's allowance for doubtful accounts stood at THB 109.1 million, THB 101.4 million, THB 105.3 million and THB 114.1 million respectively.

Such risks constitute the overall risk of entrepreneurs of animal feed production and distribution. The Company is aware and highly emphasizes the abovementioned risk factors and the impact of such risk factor. The Company has managed this risk by, since 2016, improving the policy on credit term to specify standard procedures on determining credit limit, credit term, collaterals for loans, and the authorization of loans. Procedures on submission were laid out. These were

to control the process of providing credit limit, and credit term of the Company with a view to be more careful and appropriate. Following such changes in 2016, the number of overdue debtors of more than 6 months were in decline, from THB 152.9 million on 31 December 2019 to approximately THB 134.4 million Baht on 31 December 2021. In terms of proportion, this went down from 24 percent of the total debtors (before deduction of allowance for doubtful accounts) as of 31 December 2016 to 19.7 percent of the total debtors as of 31 December 2021 (before deduction of allowance for doubtful accounts). In cases of overdue, the Company regularly follows up and sets out approaches for each group of debtors (categorized by the overdue periods of debtors). Reports are submitted to the Board of Directors every quarter. The Company has thus received paybacks from some debtors. Also, when considering the allowance for doubtful accounts, it was found that the registered allowance for doubtful accounts became significantly lower, from approximately THB 169.2 million as of 31 December 2016 to THB 114.1 million as of 31 December 2021.

(6) Competitiveness in the Industry

The Company has had to face the competitiveness in the aquaculture feed industry. There are several key companies that have earned trust from customers in terms of quality, production capacity, and readiness of capital should they want to expand the production capacity. There is also a presence of a large enterprise which has been in the industry for a long time, with high market share.

The overall competitive environment in the industry may have been significantly affected by changes in the competitiveness of key producers of aquaculture feeds



especially large enterprises. If they expand their production capacity, the supply will increase, causing more intensive competition within the industry and/or change in selling prices which may in turn affect the overall selling prices in the industry. Moreover, if other key enterprises gained competitiveness in some areas such as the ability to find shrimp breeds, the ability to provide credit limit and credit term, and the ability to provide products that better respond to the needs of customers, or the ability to better adapt to the demand of the market than the Company. Such factors may affect the Company's competitiveness. This may have an impact on sales and/or prices of products, as well as the Company's income. It may cause the Company to bear significantly higher expenses in terms of marketing, advertisement, and conduct of marketing activities. These may have a negative impact on the Company's performance, cash flow, and financial status.

The Company emphasizes efforts to improve competitiveness in order to be able to respond to customers' needs in various aspects, be it the development of products and production formula, new products to gain advantage in certain markets, for instance, the Company released snapper feed, crab feed, gourami feed, and redtail catfish feed, the management of production costs to enhance price competitiveness, the procurement of shrimp breeds, market search for customers, determination of credit limit and credit term appropriate to the customers' businesses, and maintenance of good relations with customers. During 2017-2019, the Company had seen a growth in sales from 143,345 tons in 2017 to 167,446 tons in 2019, an 8.1 percent growth annually. This was in line with the overall growth of the Company's revenue from THB 4,341.7 million in 2017 to THB 4,906.8 million in 2019 or 6.3 percent growth on average per annum. In 2020, Thailand had to cope with the COVID-19 pandemic which affected the overall aquaculture feed industry. Sales of shrimp feeds and seabass feeds reduced by 2.8 percent and 25.0 percent year-on-year respectively. However, when looking at the purchase orders, it decreased from 167,446 tons in 2019 to 163,355 tons in 2020, representing only 2.4 percent fall. The Company's revenue stood at THB 4,183.8 million in 2020. Later on, the Company's purchase orders picked up from 163,355 tons in 2020 to 177,498 tons in 2021 with revenues increased from THB 4,183.8 million in 2020 to THB 4,616.7 million in 2021.

(7) The Company's Animal Feeds are Classified as a Controlled Goods

The Company's animal feeds are raw materials for other industries namely key livestock breeding industry. The livestock animals are for consumption and are considered part of the basic needs for the public. Changes in price of animal feed constitutes an important factor that may affect the costs of raising livestock and meat prices for domestic consumption, which will in turn affect the cost of living of the people. Hence, animal feeds are listed as controlled goods by the government to ensure appropriate pricing. To control and prevent unfair pricing or conditions and trading practices, the Office of the Central Committee on Prices of Goods and Services under the Department of Internal Trade, Ministry of Commerce, which was established by the Prices of Goods and Services Act B.E. 2542 (1999), publishes annual announcements to identify controlled goods and services. According to the Announcement of the Central Committee on Prices of Goods and Services No.53 B.E. 2562 (2019) on the Prescription of Controlled Goods and Services, 52 goods and services including animal feeds were considered controlled goods and services. The enterprises of all 52 goods and services must request the approval for prices of goods and services from the Department of Internal Trade, Ministry of Commerce. The enterprises may not set the prices higher than what have been requested and approved. Should an enterprise wish to increase the price to more than what has been requested and approved, the enterprise will need to submit another request for a new approval. The Department of Internal Trade will consider such request based various aspects of necessity including production costs and averaged gross profit of the enterprises and the industry in general. Since the consideration by the Department of Internal Trade takes some time, the Company may not be able to adjust its product prices immediately. Moreover, in unusual times when the economy is in recession and/or in depression, the government may ask for cooperation to control the prices of animal feeds from producers to help aquaculture farmers. The case in point was in 2020 when Thailand was coping with the COVID-19 pandemic, the Ministry of Commerce had asked for cooperation through the Thai Feed Mill Association to control selling prices of animal feeds. The Company complied, and had to reduce and/or control the prices of animal feed to be within the range during the period of time stipulated by the government.

As the Company's animal feed was part of the controlled goods, the Company could not adjust its prices to be more than the prices requested and approved by the relevant government agency. In this regard, the Company may be at risk if there is any incident that causes the production costs and/or the prices of key raw materials to increase significantly, causing the Company to have higher overall costs while it cannot ask for approval to increase the selling prices with the relevant agency in a timely manner and/or in line with the production costs and/or prices of key raw materials, or the Company may not receive approval to increase the prices or the government may seek cooperation from the Company to control the prices of animal feeds. Such cases may lead to the Company having reduced revenue, gross profits, and performance.

However, over the years, the Company has given priority to the management of production costs to ensure that the average production costs are within the competitive level in the overall industry. The Company has focused on increasing efficiency in production costs in several aspects, particularly the raw material costs which constitute the main costs of the Company. The Company sets out plans to procure raw materials based on the production and prices to have the right prices for raw materials in any given time. Research and development of new raw materials to increase diversity, research and development of production formula from new raw materials to reduce reliance on any type of raw materials and price fluctuations have been undertaken. With such effective cost management, in the last three years (2018 – December 2021), the Company had been able to maintain gross profit rate at the level of at least 10 percent, despite changes in the prices of raw materials. In the last three years (January 2018 – December 2021), the prices of fish meal, wheat flour and soybean meal changed in the range of approximately 46, 12 and 45 percent respectively. Those price adjustments did not require producers to request for approval with the relevant government agency. Moreover, the average selling prices of the Company's products at the moment are below the prices that have been approved by the Department of Internal Trade, Ministry of Commerce. Thus, in normal times, the Company still has room to increase its prices should the Company suffers from higher costs or other necessary conditions without the need to seek new approval with the Department of Internal Trade, Ministry of Commerce. Moreover, in the last 10 years, the only incident when the government came to control and/or prescribe for a

reduction of selling prices of animal feeds was the COVID-19 pandemic which gravely affected the country's economy. The government only asked for cooperation from the producers of animal feeds to reduce selling prices for the period of 3 months for prawn and fish feeds. However, the Company has continued to maintain the reduced prices of snapper feed until today (beginning of 2021) to help customers of the Company. This is because the COVID-19 pandemic has resulted in decrease in demand for consumption of snappers since the end of 2019.

(8) Uncertainties in Business Operations or Growth of Subsidiaries in other Countries

The Company expands its business to other countries through a number of ways including entering into contracts with local alliances or building manufacturing plants in other countries in cooperation with local partners. At present, the Company has invested and set up subsidiaries to produce and distribute animal feeds with local business partners that have conducted and/or have experiences related to the production and distribution of aquaculture feeds. The two countries with such local business partners are Indonesia and Pakistan. As of 31 December 2021, the Company has a subsidiary TUKL where the Company holds 65 percent of the latter's shares. Moreover, at the beginning of 2021, the Company also entered into a contract to jointly invest in AMG-TFM which the Company has already paid for the shares in AMG-TFM and is now holding 51.0 percent of the shares in AMG-TFM. After such investment, AMG-TFM will become a subsidiary of the Company.

As of 31 December 2021, TUKL had finished the installation and conducted test run of the machineries. It is expected that TUKL will be able to start the production in 2022.

As for AMG-TFM, the Company has started its commercial operations. The Company has been recognized in the second quarter of 2021.





The abovementioned investments take place abroad, in countries where the Company is not familiar and does not have experience conducting business in. Hence, the Company may be prone to several factors arising from investment abroad. These include; the limitation and differences of politics, society, economy, law, conditions and local labor laws; laws and/or regulations on intellectual properties; differences in terms of industries be it the competitors, behaviors of customers of aquatic animal feed in Thailand and in the two countries; fluctuations of foreign exchanges; risks of issues in the engineering work and the management of construction of manufacturing plants; risks related to production; and risks arising from the inability to effectively manage costs and expenses. These may result negatively on the success of the investment projects, not allowing the Company to obtain the expected returns, and even to make the Company losing its invested capital or additional capital that the Company may wish to invest in the future. As of 31 December 2021, the value of investment of the Company in TUKL and AMG-TFM amounted to THB 302.1 million and THB 34.3 million respectively. Should the abovementioned incidents occur, it may significantly affect the Company's performance, cash flow, and financial status.

In any case, the Company has been careful in expanding its business. The Company had conducted studies on the feasibility of conducting business, the size of market for aquatic animal feed, economic conditions, related rules, and regulations of those countries before expanding its business to reduce risks. The Company had also calculated its expected returns from investments. The Company has chosen to enter into a joint venture with PT MSK and AMG Group, a major frozen food producer in Indonesia and a producer of aquatic animal feed in Pakistan, respectively. This means that the two companies have high expertise in the conduct of business in those countries, thus reducing some risks.

Moreover, the Company has recruited capable personnel to be responsible for the projects and to monitor the progress of investments abroad. They are to report to the Board of Directors regularly, at least quarterly.

(9) Reliance on Key Executives and Capable Employees

The Company was established in 2000 and has had the directors and executives with experience in the conduct of aquaculture feeds. Mr. Rittirong Boonmechote and Mr. Bunluesak Sorajjakit have been conducting businesses related to aquatic animals/ aquaculture for more than 30 years. They have set the directions for the Company. The Company is further strengthened by 14 directors and executives (not including independent directors), 11 of which have had experience in related industries for more than 20 years. Since the establishment, the knowledge, expertise, and experience of directors and executives of the Company constitute one of the key factors that enhance competitiveness of the Company. They have set out a vision and conducted planning to steer the Company's business throughout the years. If the Company cannot provide incentives and retain key executives and capable employees or cannot find appropriate or additional replacements in a timely manner when changes occur, this may negatively affect the business, performance, cash flow, and financial status of the Company.

The Company is aware of the importance of providing incentives and retaining the Company's personnel. In this light, the Company has focused on developing capabilities and responsibilities of personnel, setting out clear career path of personnel in each level, and allocate remunerations appropriate to the qualifications and capabilities of each person. Moreover, the Company continuously recruits new employees and produce successor plans for key positions. These are in order to ensure that the Company has enough personnel for its operations.

Business Sustainability Development

3.1 Policy and Goals on Sustainability Management

The Company conducts its business by adhering to moral principles, ethics, good governance, transparency, and accountability, ensuring that all undertakings are honest, transparent, and just. It takes into account aspects related to stakeholders, economy, society, environment, reputation, shareholders and investors including possible negative effects. In this light, the Company stands ready to resolve and rectify issues with the ultimate goal of achieving corporate sustainability.

The Company's policy on business conducts that contribute to corporate social responsibility or CSR is based on the foundation of ethics to ensure justice for all relevant

stakeholders. Good governance principles have been applied to maintain balance of the Company's operations in areas such as the economy, community, society, and environment. These will lead to sustainable business development.

3.2 Impact on Stakeholders in the Business Value Chains

Assessment of Stakeholders in Relation to the Environment

The Company's operational presence in many areas around the world has prompted it to identify and prioritize areas that are most crucial to stakeholders and business in general. The Company and key stakeholders discuss and coordinate regularly on sustainability risks and appropriate solutions. Outcome of the abovementioned coordination can be summarized in the following table:

Stakeholder	Issue	Company's Response
Investors	<ul style="list-style-type: none"> Responsibilities to society and the environment Information transparency 	<ul style="list-style-type: none"> Climate change and environmental protection measures Measures on corruption prevention and information disclosure and reporting
Partners	<ul style="list-style-type: none"> Fair and transparent procurement Prevention of serious incidents that may cause business suspension and impact on communities Purchase orders and regularity 	<ul style="list-style-type: none"> Environmentally responsible raw material procurement Assessment of partners and capabilities development
Customers	<ul style="list-style-type: none"> Product quality (health and nutrition) Environmental Management Standards System (ISO 14001) and environmental labels 	<ul style="list-style-type: none"> Innovation and responsibility to the products (quality and food safety) Responsible procurement of raw materials Climate change and environmental protection measures
Consumers	<ul style="list-style-type: none"> Environmental labels Environmentally friendly products Food safety Ability to respond to customers' Needs 	<ul style="list-style-type: none"> Innovation and responsibility to the products (Quality and Food Safety and ISO 22000) Responsible procurement of raw materials
Employees/ Migrant Workers	<ul style="list-style-type: none"> Fair remuneration and benefits Fair treatment for workers Career opportunities 	<ul style="list-style-type: none"> Human rights and fair treatment of workers Human capital development Improvement of employees' welfare

Stakeholder	Issue	Company's Response
Non-State Organizations	<ul style="list-style-type: none"> Responsibilities to society and the environment Participation in projects related to society and environment Transparent disclosure of information Compliance with the law, rules and regulations Corruption prevention 	<ul style="list-style-type: none"> Climate change and environmental protection measures Material procurement transparency reporting Measures on corruption prevention and information disclosure and reporting
Communities/ Educational Institutions	<ul style="list-style-type: none"> Responsibilities to society and the environment Participation in projects related to society and the environment 	<ul style="list-style-type: none"> Climate change and environmental protection measures Cooperation with communities
Media	<ul style="list-style-type: none"> Transparent disclosure of information Timely disclosure of information 	<ul style="list-style-type: none"> Timely and transparent disclosure of information, and supervision of prevention measures Participation in key issues

3.3 Sustainability Management in Relation to the Environment

Policy and Guidelines on the Environment

The Company has developed an environment management system that is in line with the organization's sustainable development goals or the relevant laws and regulations. The focus of the Company thus falls on measures to cope with climate change, with goals stipulated in the Company's key plans and environment policy. The main objective of the Company's environment policy is to have minimum environmental impact on communities, society, employees or other stakeholders. Approaches are determined to deal with environmental risks and impacts arising from each activity, process, and service. Environmental issues are taken into account in the improvement and development of work systems. Measures are established and implemented to ensure efficient use of energy, resources, and raw materials. Water waste, industrial waste, and air pollution are to be efficiently managed. The Company also continuously and regularly encourages improvement on each manufacturing process in an effort to minimize impact on the environment.

Climate Change – The use of natural resources and waste management have not only led to an increase of negative impact on the environment, but also threatened various operations of the Company.

Hence, the Company needs to be responsible and protective of the environment by, among others, reduce the use of natural resources. Many projects have been initiated to reduce water

and energy uses, increase the use of renewable energy such as solar cells, reduce the amount of landfill wastes, reduce greenhouse gas emissions, and improve the efficiency of the Company's environment-related measures. Applications for various environmental standards have been submitted including the Green Industry Project. Such standards systems are to be used to control and reduce the environmental impact from operations in a sustainable manner.

The Company emphasizes measures to reduce greenhouse gases. Therefore, the Company has regularly established measures to implement energy conservation plans. It is aimed that the greenhouse gas emissions from the Company's business processes will be reduced by 17.69 percent compared to 2020. In 2021, the Company emitted around 29,031,38 kilograms per ton of carbon dioxide. The Company has also achieved its goal on reducing the use of water by 9.11 percent. Landfill waste was down 49.42 percent. These represents greater achievements when compared to those of 2020.

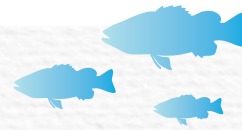
Given these efforts, the Company is heading towards becoming an organization that reduces the use of carbon and minimizes the impact of greenhouse gases that may affect the environment and society.

Management of Resources and Environment

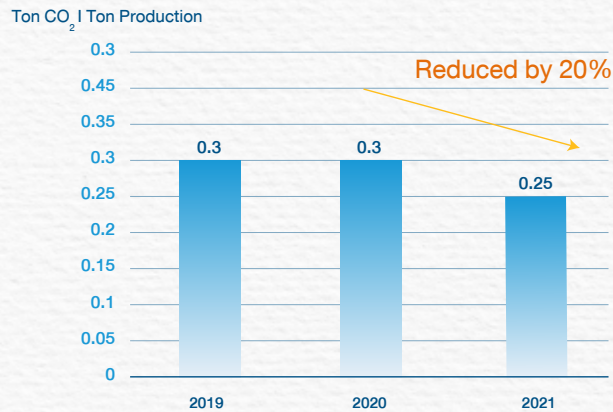
The Company is committed to efficient resource and environmental management, both in terms of saving and conserving to ensure perpetual utilization of natural resources and the environment.

Energy

Information showing the intensity of greenhouse gas (GHG) emissions.



Total Intensity of Greenhouse Gas Emissions



In 2021, the amount of greenhouse gas emissions was reduced by 20% year-on-year.



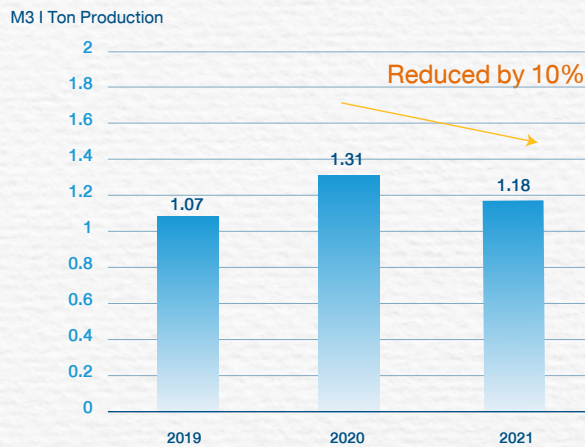
↓ 5%

In 2022, the amount of greenhouse gas emissions is targeted to be 5% lower year-on-year.

Water Resource

Information on water usage.

Total Water Usage



In 2021, the amount of water usage was reduced by 10% year-on-year.



↓ 5%

In 2022, the amount of water usage is targeted to be 5% lower year-on-year.



Pollution and Waste Management

Air Pollution

The Company has a system such as wet scrubber and bag filter to dispose pollution before emitting it from the Company's premises. Emissions are being closely monitored to ensure that they conform to the relevant laws and standards. Inspection is done twice a year. In 2021, the emission of airborne contaminants was within the limit.

Noise Pollution

The Company conducts ambient noise measurement on manufacturing plants and disturbance, and ensures that the noise from the Company's premises is within limit provided by the law. The measurement is done by the authorized person from the Department of Industrial Works. In 2021, the result has shown that the noise from manufacturing plants and other disturbance were within limit, except in some areas which the Company quickly rectified.

Water Pollution

The Company controls, supervises and manages wastewater management to ensure that it is in line with the standards provided by the law. Wastewater is monitored and measured before releasing from the Company's premises. Sequence Batch Reactor (SBR) is used to control the quality of wastewater in line with the law. The average amount of wastewater from manufacture and consumption is 30 cubic meters a day while the Company's wastewater management system can accommodate 100 cubic meters a day. The amount of wastewater that has been treated and passed the standard is released on average 30 cubic meters a day.

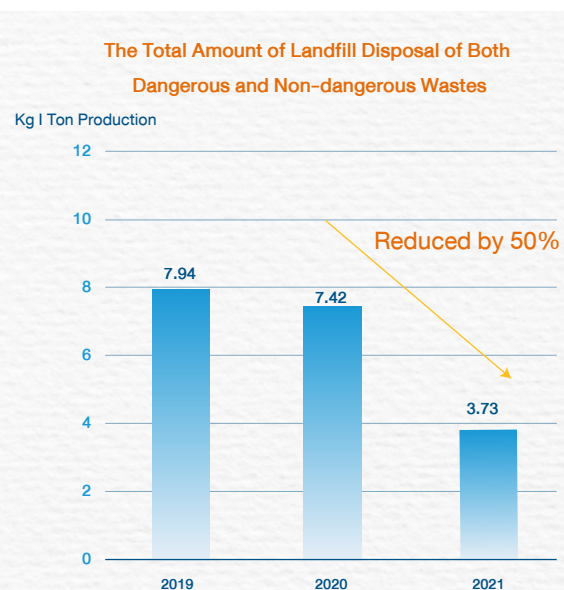


Wastes

The Company has in place a system to manage wastes based on types stipulated by the law. There is also a system to prevent contamination to the environment from the point of collection to disposal. Waste sorting and collecting are carried out with an internal management system that keeps track on the amount of waste each month. Disposal of waste is done by those authorized by the Department of Industrial Works. These measures allow for tracing of the whole work processes.

- Dangerous wastes include deteriorated electronic equipment, contaminated containers, and used lubricants. These are sent to the authorized companies for disposal through recycling and landfill.
- General wastes (non-dangerous) include plastic bags, papers, scrap metals, and plastic sacks. The Company conducts sorting and sends wastes to be disposed or recycled by authorized companies.

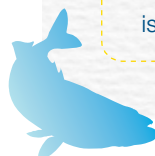
Information on landfill disposal of both dangerous and non-dangerous wastes.



In 2021, the amount of landfill disposal of wastes was reduced by 50% year-on-year.



In 2022, the amount of landfill wastes is targeted to be 10% lower year-on-year.

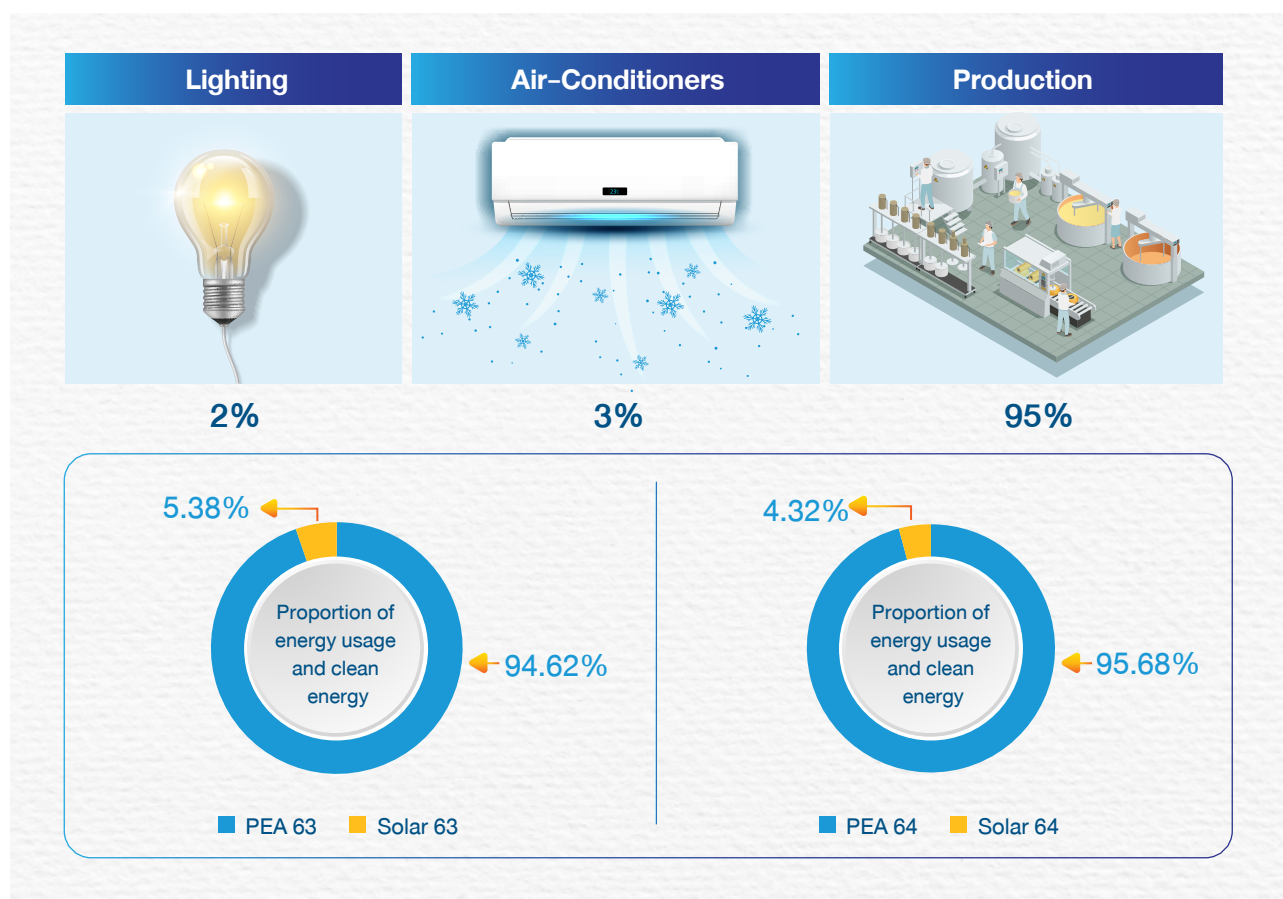


Energy Conservation

The Company has applied the energy management system in animal food production. Realizing that energy conservation is important to the cost of production and that it is the duty of every employee to help manage energy continuously, the

Company has come up with an energy conservation policy. This is to be used as a reference to energy management and to promote efficient use of energy while looking for renewable energy.

In 2021, the Company's Proportion of Energy Usage Based on Systems can be Summarized as Follows:



The Company has a plan to install solar ground mount system with the production capacity of 2,646 kWp. It means that in 2022, the Company will be able to save an additional 10% of energy.

Policy on Occupational Health and Safety

The Company regards safety at work a top priority and a duty of every employee. Improvement of work environment is encouraged. There are activities and trainings to promote employees' awareness on safety issues. Managers and supervisors at all levels need to act as good examples, train and encourage their subordinates to follow. These help in making employees think about the safety of their colleagues and of their own, as well as the assets of the Company when at work. Every employee is to pay close attention to the cleanliness and tidiness of their work premises. They are to cooperate and participate in the Company's occupational health and safety projects. Each employee is allowed to voice their opinions on

how to further improve the work environment and working methods to achieve a higher level of safety.

The Company develops and improves the efficiency of work to reduce risks from illness, injuries or death and looks after the well-being of employees in a proper manner. Key undertakings include complying with laws and regulations and continuing the work on safety management. In 2021, there were 10 incidents of injury from work. Following such incidents, the Company has amended the regulations, safety manuals, as well as conduct regular campaigns to reduce accidents.



3.4 Sustainability Management in Relation to Society

Labor Code of Conduct

The Company adheres to the principles of conducting business based on virtues, honesty, transparency, respect for international human rights and labor principles for employees' well-being and freedom.

1. Employment is Based on Independent Decision-making and Lawful Employment Contract

The main components of the relationship between the Company and an employee are remunerations, benefits and conditions, which are recorded in writing culminated in a contract signed by the Company and the employee. Such contract is to be in a language that both sides understand. Moreover, if there is any substantive change, the Company and the employee will need to agree, or the Company must make announcement in advance.

2. Every Employee is Treated Equally with Respect

- 2.1 Every employee is treated with respect, free from physical, gender, mental and verbal abuse, as well as harassment or other forms of humiliation. There is no discrimination in terms of employment, recruitment, remunerations, compensations, career advancement, disciplinary measures, dismissal, and retirement. There is also no discrimination based on status, birth, nationality, religion, age, gender, marital status, sexual orientation, membership of a union, membership of a political group or party, health, disability, and pregnancy. The Company prioritizes the rights of employees who are at risk of being discriminated.

- 2.2 The Company issues a policy prohibiting all kinds of discrimination, be it discrimination based on status, birth, nationality, religion, age, gender, marital status, sexual orientation, membership of a union, membership of a political group or party, health, disability, and pregnancy. There needs to be guidelines informing employees of their rights.

- 2.3 The Company must not allow forced pregnancy tests or other ways of health screening that may lead to discrimination.

- 2.4 Each employee receives equal opportunities to fully improve their knowledge, skills, and capabilities related to their work.

3. No Forced Labor

- 3.1 Forced labor is non-existent in the Company's businesses be it slavery, human trafficking, or any other forms, including mental and physical forced labor.

- 3.2 The recruitment policy needs to have systematic operational procedures, as well as training to ensure that the recruitment is independent and fair. Employees may resign.

- 3.3 Employees have the right to travel. They are not to be unlawfully detained in trade partners' premises.

- 3.4 Employees must not be asked to hand over their personal documents. Should it be required by law to withhold such documents, they must be accessible to employees. Withholding personal documents must not be used as a condition to prevent employees from resigning. Personal documents must be returned to employees immediately following the termination of employment.

4. Working Age of an Employee must be in Accordance with the Law

- 4.1 The Company does not employ persons under the age of 15 years for any assignment.

- 4.2 The Company's employment policy clearly stipulates the minimum age and the method to verify an employee's age including checking a national identity card or a government-issued passport.

5. Every Employee must Receive a Fair Remuneration

- 5.1 Every employee receives a fair remuneration which includes wage, overtime payment, benefits, and leaves

according to or more than the minimum standard required by law of that country or as agreed in the contract.

- 5.2 An employee will receive a pay slip for each payroll, specifying details of the remuneration which includes wage, benefits, incentives, bonus, and any deduction. The pay slip will be in the language that the employee understands.
- 5.3 Wage is to be paid in a complete and timely manner.
- 5.4 All works are paid with the minimum remuneration in accordance with the minimum wage required by law or more than the industrial standard.
- 5.5 Conditions of remuneration determined by a contract that has been negotiated must be upheld and implemented.
- 5.6 Deductions required by law such as tax or social security must be deposited in the pre-defined account or submitted to a government agency stipulated by law.

6. Appropriate Working Hours for Employees

- 6.1 An employee is not asked to work beyond the normal working hours. Overtime must be on a voluntary basis and is in accordance with the law of the country where the employee is working in.
- 6.2 There is a clear policy regarding working hours and overtime with clear procedures on overtime. An overtime must be on a voluntary basis.
- 6.3 An employee is entitled to a break of at least 24 consecutive hours every seven workdays. If an employee needs to work on a holiday due to the continuity of production, the employee must be allowed to take a break immediately after work, in accordance with the law.
- 6.4 If a contract includes overtime and an employee agrees to, such overtime must be based on a voluntary basis.
- 6.5 Any overtime payment is not to be lower than the rate stipulated in the labor law.

7. Employees have the Right to Participate in Labor-related Activities and Freedom to Negotiate, in Accordance with the Law

- 7.1 Employees have the right and freedom of association and negotiation without intimidation or threat on their rights to participate in any association.
- 7.2 Executives, supervisors, and security officers must be trained to respect the rights of employees to participate independently in associations.
- 7.3 Employees acknowledge and understand their rights and feel confident in their conducts within their rights. Other employees or the executives may not obstruct their freedom to exercise such rights.
- 7.4 The right to go on strike is accepted as the right of employees and the right to organize. Employees will not be counteracted when exercising such right.

8. Employees are Cared for their Health and Safety at Work

- 8.1 Workplace must be hygienic and safe to prevent accidents and injuries from work or during work or from any action of the employer.
- 8.2 Pregnant employees who have informed the Company of their pregnancy are not to work in dangerous areas. They are not to work more than 8 hours/day and during the night shift (between 22.00 – 06.00 hrs.). They will not be dismissed, demoted, or have their benefits reduced due to pregnancy.
- 8.3 The Company needs to identify and eliminate or control the danger that may cause risks to employees or other person in the workplace or the environment.
- 8.4 The Company has in place clear and efficient policy and guidelines on occupational health. They must be periodically reviewed.
- 8.5 The policy and guidelines on occupational health and safety are extensively communicated.
- 8.6 Employees and outsiders who enter the premises must be informed of the danger that may occur in the workplace. They must have enough knowledge and personal protective equipment to avoid such danger.
- 8.7 Every personnel who enters a premises or who has duty regarding products needs to be informed of the appropriate undertakings for health and safety.

8.8 Personal protective equipment is assigned to each employee whereby the employer bears the cost. The employees must be trained as necessary to be able to conduct their duties in a safety manner.

8.9 The work environment and workplace must be arranged in accordance with good safety and occupational health. They must be equipped with the basic welfare, namely clean and hygiene water, clean and adequate toilets, good ventilation, fire escape and necessary amount of safety equipment, first-aid equipment, hygienic dining places, and access to emergency medical services as well as other provisions provided by the law.

9. Employees are to be Treated Fairly

9.1 Employees must be treated transparently and fairly with certain confidential processes to resolve issues arising from relations at work in a quick and fair manner.

9.2 The Company provides effective channels for employees who want to provide suggestions or submit complaints. Full investigation will be held to ensure swift, neutral, and fair resolutions.

9.3 The Company provides communication channels to complainants with measures to safeguard their confidentiality and prevent counteractions.

10. Business Operations must be Sustainable with Low Impact on the Environment

10.1 Operations, procurement, production, product distribution, and services are carried out with an objective to prevent and preserve the environment, as well as to follow the law and regulations relating to the environment.

10.2 Business operations need to have all licenses required by law.

10.3 The Company must provide trainings for all employees to provide knowledge and information on the implementation of licenses required by law.

10.4 The Company plans environmental management efficiently and in accordance with the law. This includes but not limited to the use of dangerous chemicals, waste and wastewater management, air and water pollution, and energy use.



Policy on the Management of Labor Relations

Thai Union Feedmill Public Company Limited has implemented a policy to promote labor relations by establishing a labor relations advisor to provide guidelines for employees who may be involved in resolving issues. The objective is to have all employees understand and respect the Company's rules and regulations, communicate and exchange actual information between employees and the advisor on labor relations who is a representative of the Company. This is to foster understanding and acceptance in one's own duty, listen to rationale and act collectively to find the root causes and solutions.

In light of this, the Company has issued the following policy for employees to adhere to:

1. The Company follows the Labor Protection Act B.E. 2541 (1998) and the Memorandum of Employment Conditions.
2. The Company will appoint an advisor on labor relations to listen to suggestions or opinions of employees, as well as complaints or work-related issues to promote the process of good labor relations in the organization.
3. The Company promotes and supports employees in raising awareness and understanding on labor relations.
4. The Company coordinates to ensure understanding on the goal of co-existence between employees and the organization, as well as ways to solve any issues.
5. The Company regards each employee from every level to have equal rights.

"The Company always regards each and every employee at every level to be the most important resource."

Policy on Human Rights

The Company conducts its business by adhering to moral principles, ethics, good governance, transparency, and accountability, ensuring that all undertakings are honest, transparent, and just. It takes into account aspects related to stakeholders, economy, society, environment, reputation, shareholders and investors including possible negative effects. The Company stands ready to rectify in order to alleviate such negative effects, striving towards corporate sustainability.

1. Respect for Human Rights

The Company conducts its business with respect to human rights by promoting and protecting rights and freedom and treats each and every personnel equally. These are the foundation of the management and development of human resources. The Company has stipulated the following practices:

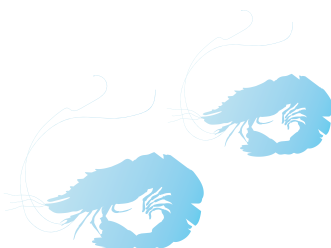
- 1.1 The Company promotes and respects internationally accepted human rights.
- 1.2 The Company does not get involved in any action that is in violation of human rights.
- 1.3 The Company promotes and respects the protection of human rights. The Company regularly inspects to ensure that no business of the Company is involved in the violation of human rights.
- 1.4 The Company respects the right to express opinions of employees which involves the freedom to provide opinions without intervention, the receipt of information or views from the media. The Company provides communication channels to listen to opinions of stakeholders expressed freely.

2. Employment of Labor without Violation of Human Rights

The Company does not use labor that violates human rights for instance forced labor or child labor. Moreover, in 2021, the Company has received an award on being a "Model Organization on Human Rights". This is a guarantee that the Company conforms to and respects human rights.

Policy on Social Accountability

The Company has a policy on Corporate Social Responsibility (within the organization) under the principles that are internationally accepted. These principles are internalized to become part of the Company's undertakings. The Company's conducts are in accordance with "international human rights principles, law and ethics of employer towards its employees."



In 2015, the Company came up with and announced COC on Labor whereby the fundamental principles were in line with international standards.



In 2018, the Company was certified as having a factory with Good Labor Practices (GLP)



The Company always regards each and every employee, at every level, as the most important resource.

and cooperates with Issara Institute, an NGO. This is another guarantee that the Company treats laborers and all levels of personnel in a fair and equal manner, without discrimination. The Company has also not received a complaint on human rights violation arising from the Company's businesses both from within and outside of the organization. There is no legal dispute regarding labor law, forced labor or slavery, child labor, the use of pregnant women as laborers, consumers' rights, and business operations.

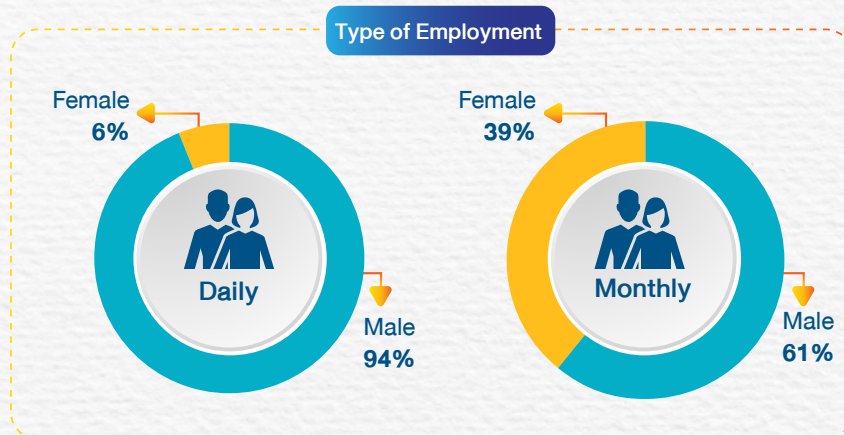
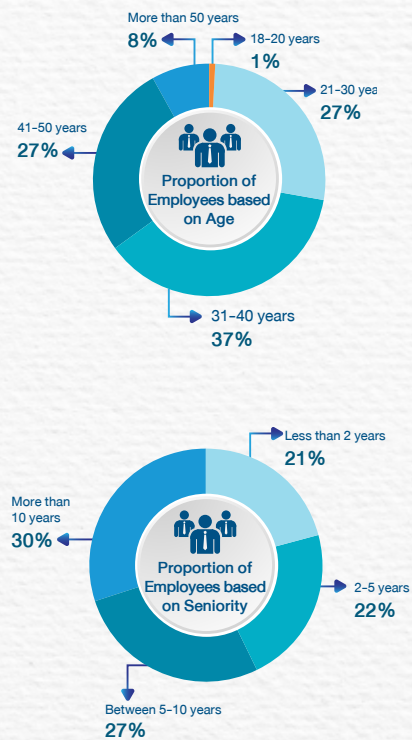
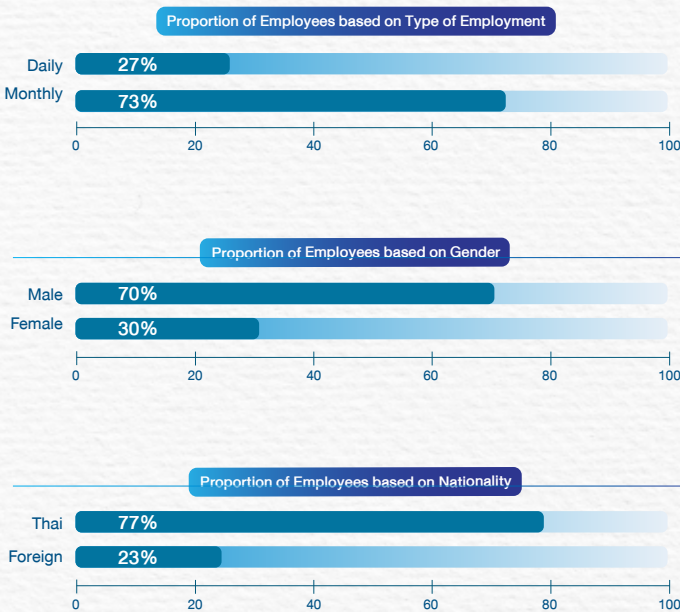
Moreover, in 2021, the Company received the award for Excellent Enterprise in the field of Labor Relations and Welfare.



Employment

The Company clearly determines the qualifications of employees in accordance with the respective nature of work, without resorting to discrimination based on race, skin color, gender, religion, nationality, personal background, political views, age, or disability. The recruitment process

selects those who meet the qualifications in accordance with the stipulated methods. In 2021, Thai Union Feedmill Public Company Limited had a total of 817 employees with a diverse composition of age, gender, education, and nature of work.



Turnover Rate

The turnover rate of employees in 2021 was at 17.49%. This was an increase of 3.56% year-on-year and was 4.16% higher than the figure for 2019.

Retention Rate of Employees following Pregnancy Leaves

In 2021, there were 247 female employees. Among these, 6 applied for pregnancy leaves. At the end of their leaves, 4 employees came back to work. This suggests a retention rate of employees following pregnancy leaves of 67%.

Policy to Support Persons with Disabilities

The Company is aware and deems it crucial to be involved in enhancing the well-being of persons with disabilities in society and encouraging persons with disabilities to demonstrate their potentials, leading to them being independent, reducing the burden on their families and society. This also promotes persons with disabilities to be part of the drivers of economic development for their families and the nation especially those who are at working age. The Empowerment of Persons with Disabilities Act B.E. 2550 (2007) is intended to promote the development of well-being of persons with disabilities. There is a provision on determining standards on promoting and protecting career of persons with disabilities.

In 2021, the Company has undertaken measures in line with Article 33 of the Empowerment of Persons with Disabilities

Act B.E. 2550 (2007) where the Company recruited 8 persons with disabilities to work in various departments.

Employees' Remuneration and Welfare

The Company has clear policy on having fair employment conditions for employees and for employees to receive appropriate remunerations according to their potentials, positions, duties and responsibilities while providing them with stability and advancement in their career in a fair manner. The Company provides welfare for employees in accordance with the law including social security as well as welfare beyond what is required by law, for instance, health and accident insurance and various other grants including grants for employees for their parents' funerals, and annual health check-up.

Development of Knowledge and Capabilities of Employees

The Company is aware of the importance of employees. The Company has a policy to develop employees, to allow them to hone and enhance their potentials, open up opportunities for employees to learn and advance in their career. Through various tools and equipment, employees are able to learn by themselves at all times through online learning system via smartphones, computers, or laptops. They can identify gaps and areas that they wish to further develop through the system. The Company also arranges trainings for all groups of employees every year in line with necessary competencies in their respective fields of work.



Complaints Channels and Processes

The Company provides several channels for complaints and suggestions, relevant procedures for such complaints and suggestions, as well as measures to protect and keep confidentiality of complainants. Details are as follows:

1. Channels for Submission of Complaints:

- 1.1 Complaints box where a representative from the executives opens the box twice a week (every Mondays and Fridays).
- 1.2 In-person submission of complaints.
- 1.3 Telephone/hotline for complaints.
- 1.4 Complaints submitted through the Employees' Relations and Happiness Organization Officer (s).
- 1.5 Complaints submitted through various forms of electronic media such as People Connect System, Line and Email.
- 1.6 Complaints submitted through the committee on enterprise welfare.
- 1.7 Complaints submitted through external parties such as NGOs and the Department of Labour Protection and Welfare.

2. System to Collect and Store Complaints

- 2.1 Maintain confidentiality of complaints.
- 2.2 Systematically collect and store complaints in order to be able to report and analyze complaints while maintaining confidentiality.

3. Procedure once a Complaint is Submitted

Once a complaint is submitted, the task force on complaints management and the Department of Employees' Relations and Happiness Organization will:

- 3.1 Check information and translate the complaint should the complaint has been written in another language.
- 3.2 Save information in the complaint management system.
- 3.3 Analyze the complaint to identify causes and rectifying/preventive measures. These may arise following meetings between relevant parties to discuss on that particular complaint.

3.4 Coordinate and inform relevant parties to rectify or implement the solution within the identified timeframe.

3.5 In case the complaint is resolved, report the outcome of complaint management to the complainant and relevant persons. If it is something that benefits all employees, the outcome should be publicized through various channels.

3.6 In case the complaint cannot be resolved, the issue should be reported to the executives to seek further advice or approval to discontinue following up on the complaint.

3.7 Record the closure of each complaint in the complaint management system.

3.8 Inform other agencies with the same or similar working arrangements of the approach used to settle the complaint in order to ensure same and equal treatment should a case arises elsewhere.

4. Identify Channels to Report the Outcome of the Management of Complaints including individual explanation through supervisors and representatives in the area, welfare committee, information board, and online communication channels such as email, Line, and internal communication system (People Connect System, TU Connect).

5. Measures to Protect and Maintain Confidentiality of Complainants

Complainants and witnesses are to be adequately and fairly protected by the Company. The Company will keep confidentiality of the complaints, the complainants and witnesses. The complaints and details of the complainants and witnesses are not to be disclosed to any person not relevant to the case except disclosure for the benefit of investigation and/or disclosure as required by law. Those who are related to the case and have been informed of the information or details of the complaints are to keep those to themselves unless the disclosure is necessary for the benefits of investigation and/or as required by law. The Company will impose punishment on any person found breaching the confidentiality in accordance with the Company's rules and regulations.

The COVID-19 Pandemic

Last year has seen the spread of COVID-19. The Company has imposed measures to cope with the pandemic that are in line with announcements made by the Department of Disease Control, Ministry of Public Health, and relevant bodies of law. The Company promotes and raises awareness of employees on how to protect themselves at work, in public places, and at home. Temperature screening points are set up. Employees are required to always wear masks until they return to their accommodation. The Company promotes social distancing and handwashing with alcohol or liquid soap provided by the Company. Measures for the public area and equipment have been set up with regular cleaning of commonly touched areas. Dining tables have

continued to be separated. FAI is provided to accommodate and treat employees who are found to be positive with medicines in line with the health standards, together with local health authorities. Moreover, the Company has joined the Factory Sandbox project, conducted screening of employees in accordance with established procedures, and procure vaccines for employees, covering all employees from all nationalities. The Company has also issued a policy on welfare to help infected employees where remunerations are paid in full. These are based on the realization that compassion and empathy are all that are needed in this situation.



Management Discussion and Analysis

Analysis for FY2021 Results, Ended 31 December 2021

2021: Solid Sales Growth of 14.1% YoY, Driven by the Recovery of Aquatic Farmed Food Demand, Amidst Pressure on Margins from Rising Raw Material Prices

Thai Union Feedmill Public Company Limited (“Company”) reported revenue at THB 4,773.1 million in 2021 marked a solid growth at 14.1% YoY, attributed to the increase in revenue from shrimp feed business at 14.1% YoY, fish feed business at 8.9% YoY, and livestock feed business at 41.3% YoY.

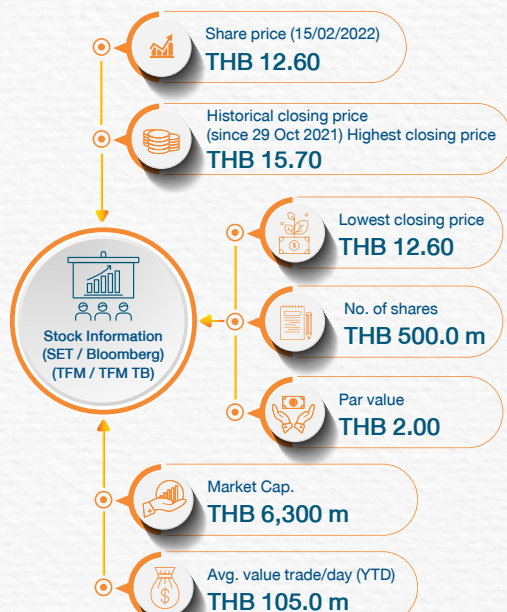
Gross Profit and Gross Margin

In 2021, gross profit was THB 494.9 million, down 28.7% YoY from THB 694.3 million. As a result, 2021 gross profit margin was 10.4%, down from 16.6% in 2020, pressured by the higher raw material price.

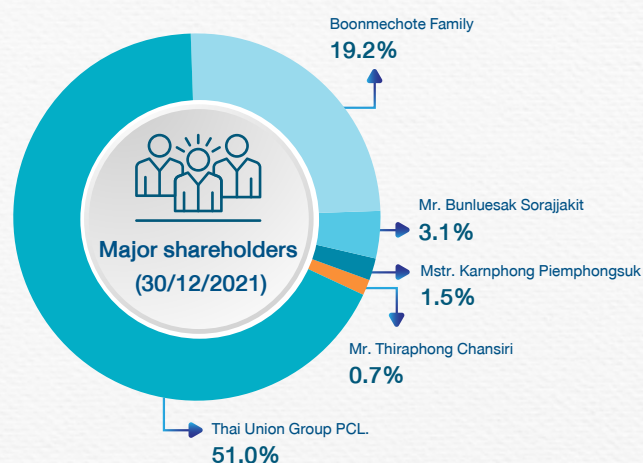
Net Profit

In 2021 net profit was at THB 211.5 million, decreased 48.6% YoY from THB 411.7 million in 2020. As a result from the declining of the gross profit margin and the increasing of the freight and transportation expenses due to the higher fuel price.

Stock Information



Major shareholders (30/12/2021)



Business Overview

Thai Union Feedmill Public Company Limited (TFM) is the producer and distributor of economic animal feed. The main products of TFM are shrimp feed, fish feed, and livestock feed. TFM currently has production bases domestically and internationally.

Dividend Payment

The Company paid the interim dividend at THB 1.00 per share which was from 1H'21 operating results, approximately THB 102.5 million and from retained earnings, approximately THB 307.5 million. The remaining dividend from 2H'21 operating results will be paid at the rate of THB 0.15 per share, approximately THB 75.0 million.



Financial Statement Analysis

	(Unit : THB million)		
	FY'2021	FY'2020	YoY
Sales	4,773.1	4,183.8	14.1%
Cost of sales	(4,278.2)	(3,489.5)	22.6%
Gross profit	494.9	694.3	-28.7%
Other income	60.9	60.7	0.3%
SG&A	(328.6)	(299.7)	9.6%
Reversal/impairment on AR	(13.4)	(4.9)	174.9%
Other gain/loss	4.9	4.5	8.1%
EBIT	218.6	454.9	-51.9%
Finance costs	(8.8)	(5.4)	63.3%
PBT	209.8	449.5	-53.3%
Income tax	(0.2)	(39.1)	-99.6%
Profit for period	209.7	410.4	-48.9%
Profit attributed to the Company	211.5	411.7	-48.6%
Earning per share (THB)	0.50	1.00	-50.0%
Gross profit margin	10.4%	16.6%	
Net profit margin	4.3%	9.7%	

Sales

The company reported 2021 revenue from sales at THB 4,773.1 million, increased 14.1% YoY, while sales volume continued to grow 14.4% YoY;

Revenue from Shrimp Feed

- In 2021 revenue from shrimp feed sales was THB 2,395.6 million, up 14.1% YoY, thanks to higher sales volume by 8.6% and the higher average selling price per unit by 5.0%.

Revenue from Fish Feed

- In 2021 revenue from fish feed sales was THB 1,795.5 million, up 8.9% YoY from the recognition of the revenue from AMG-Thai Union Feedmill Private Limited in Pakistan (AMG-TFM) which started its operation since April while the fish feed sales in Thailand still remained the same due to the portfolio adjustment to focus on profitability.

Revenue from Livestock Feed

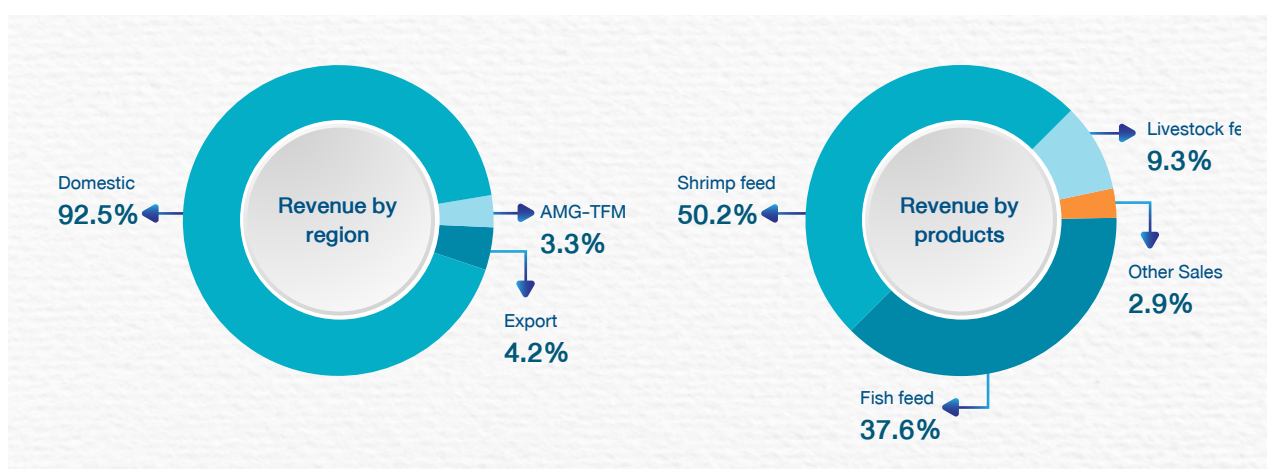
- In 2021 revenue from livestock feed sales was THB 446.0 million, up 41.3% YoY, thanks to higher sales volume by 26.8% and the higher average selling price per unit by 11.4% due to focus on the high margin products such as a swine feed.

Revenue from other Sales

- In 2021 revenue other sales was THB 135.9 million, up 13.7% YoY which comprised of the revenue from raw material sold and the aquatic from research farm.

Sales Breakdown by Product

	Sales (Unit : THB million)			Qty (Unit : Tones)		
	FY 2021	FY 2020	YoY	FY 2021	FY 2020	YoY
Shrimp feed	2,395.6	2,100.4	14.1%	80,868	74,428	8.7%
Fish feed	1,795.5	1,648.1	8.9%	75,185	64,566	16.4%
Livestock feed	446.0	315.7	41.3%	30,879	24,360	26.8%
Other sales	135.9	119.5	13.7%	-	-	-
Total	4,773.1	4,183.8	14.1%	186,931	163,354	14.4%



Revenue by Region

- In 2021 cost of goods sold was THB 4,278.2 million, up 22.6% YoY, due to the increase of the sales volume and the higher raw material price.
- As a result of the declining gross profit margin from 16.6% in 2020 to 10.4%

Net Profit

In 2021, the Company reported net profit attributed to shareholder at THB 211.5 million, decreased 48.6% YoY, from THB 411.7 million a year ago due to the lower gross profit margins which were pressured by the rising of the raw material price.

Selling General and Administrative Expenses

In 2020, SG&A was THB 328.6 million, up 9.6% YoY as a result from the higher logistic cost which was a reflection of the increasing domestic oil price.

As a result, 2021's EPS was lower to THB 0.50 per share, from THB 1.00 per share in the previous year.

Unit: THB million

	FY'2021	FY'2020	YoY
Profit attributed to the Company	211.5	411.7	-48.6%
One-off item	(15.9)	(5.0)	
Profit from core operation	195.6	406.7	-51.9%

Excluding one-off items, adjusted net profit attributed for the year 2021 was THB 195.6 million, decreased 51.9% YoY, from THB 406.7 million a year ago, with one-off items mainly comprised; an adjustment for tax liabilities of THB 4.1 million (booked as an expense), and the additional tax credit of THB 17.1 million from BOI promotion.

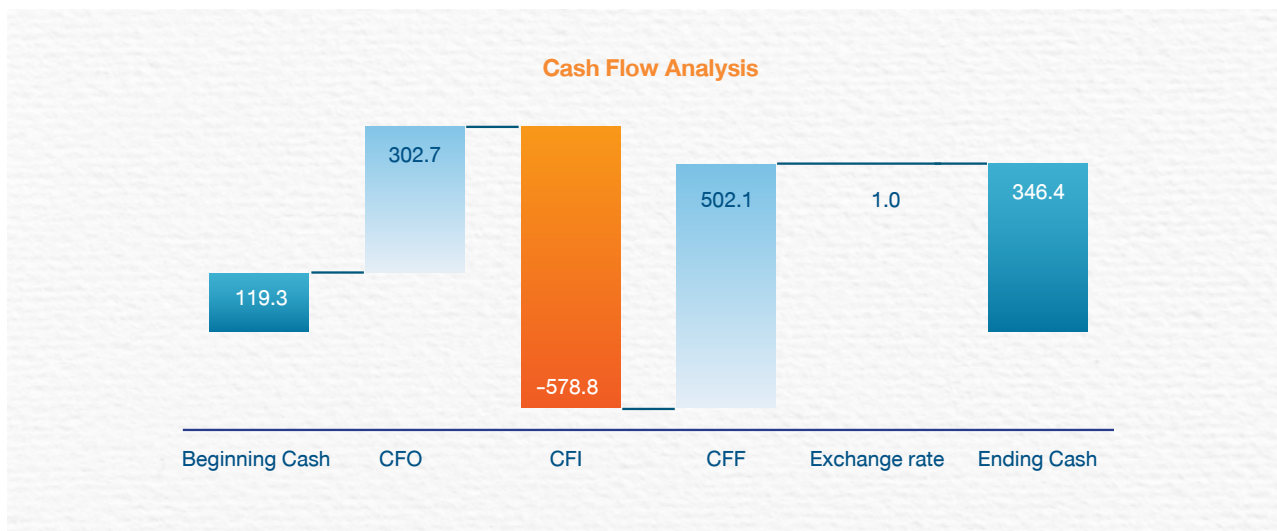
Financial Position Analysis

As of December 31, 2021, the Company reported total assets of THB 3,343.6 million, a 33.8% increase from the end of 2020. The increase was mainly due to cash inflow, fund received from the capital increase, PPE from the increase in value of PT Thai Union Kharisma Lestari in Indonesia (“TUKL”)’s

buildings and machinery, and increasing account receivables reflecting higher sales.

Total liabilities decreased to THB 940.1 million, a 7.5% decrease from THB 1,015.8 million at the end of the previous year. The decrease was due to short-term loan was lower by THB 359.5 million, while long-term loan was increased THB 199.8 million for the investment in TUKL.

Total shareholder’s equity was at THB 2,403.4 million, a 62.1% increase from the end of the previous year. The surge was from capital increase through IPO, resulting in shareholders' equity increased by THB 1,186.9 million.

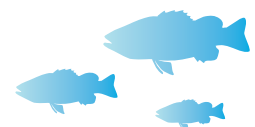


Cash Flow Analysis

During 2021, net cash receipts from operating activities were THB 302.7 million, mainly came from EBITDA at THB 360.4 million, despite being partly offset by the increase in operating assets and liabilities THB 85.0 million from higher account receivables.

Net cash payment for investing activities were at THB 578.8 million, paid for the additional CAPEX in Indonesian subsidiary’s PPE (TUKL) and short-term investments.

Net cash receipts from financing activities were at THB 502.1 million which cash inflow mainly from the capital THB 1,186.9 million received from the IPO. The capital increase was utilized for the repayment of loans to financial institutions amounted THB 359.5 million and for interim dividends payment THB 553.0 million.





Key Financial Ratios

Key Financial Ratios	FY'2021	FY'2020
Current ratio (x)	2.9	1.3
Average collecting period (Day)	47	51
Day inventory outstanding (Day)	43	46
Return on capital employed (%)	7.5%	19.2%
Return in equity (%)	11.9%	34.5%
Return on assets (%)	7.5%	19.0%
Net interest bearing debt to equity (x)	-	0.2
Book value per shares (THB)	4.8	3.6

Remarks:

Current ratio = Total current assets / Total current liabilities.

ROCE = EBIT / Average capital employed.

Capital employed = total assets – total current liabilities (incl. current portion of long-term debt).

ROE = Net profit attributed / average equity attributed to owner.

ROA = EBIT / average total assets.

ND/E = Interest-bearing debt – cash & cash equivalents / total shareholders' equity.

BV = total shareholders' equity / outstanding shares.

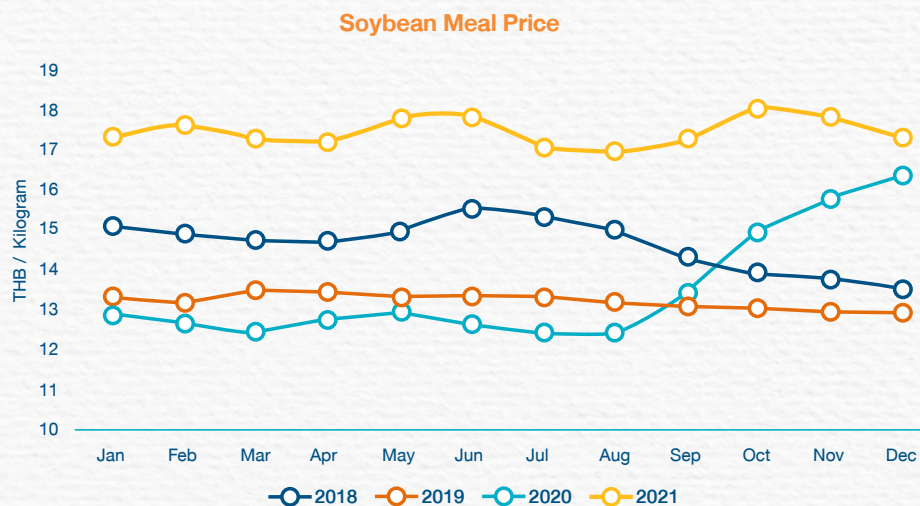
As of December 31, 2021, the current ratio was at 2.9 times, increased from 1.3 times at end of 2020, due to the increase of current liabilities. The increase was comprised of net cash inflow and the increase in short-term loan. In addition, net interest-bearing debt to equity decreased from 0.17 times to 0 at the end of 2021 due to the Company offered its ordinary shares through the IPO, and listed to the SET, for the capital increase and utilized the capital for debt payoff.

The profitability ratio at the end of 2021 (ROCE at 7.5%, ROE at 11.9% ROA at 7.5%), decreased from the end of previous year due to the profit margins was pressured by higher prices of key raw material which directly affected cost of sales.

Industry Overview

According to the Thai Feed Mill Association (TFMA), the demand of animal feed in 2021 is forecasted to decline to 20.22 million tons, from 20.51 million tons in the previous year, mainly due to the current swine fever outbreak has reduced the level of pig farming. The demand of aquaculture feed was expected to be stimulated by the rising aquatic farmed food consumption and the higher selling price which is favorable for farmers to raise farming activities. Shrimp feed demand was expected to grow by 11.0% from 450,000 tons to 500,000 tons, while fish feed demand is expected to grow from 530,000 tons to 540,000 tons.

Key Raw Material Price



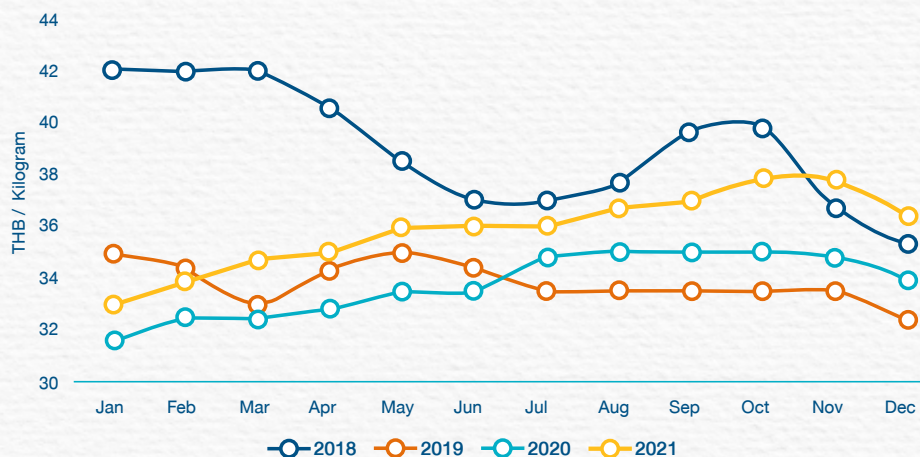
Source: Department of Internal Trade.

As of December 2021, soybean meal price was at THB 17.28 per kilogram, 0.2% increase from THB 17.25 per kilogram at the end of September 2021, while 2021's average soybean

meal price increased 29.5% from 2020 with the highest price at THB 18.00 per kilogram in October 2021.



Fish Meal Price

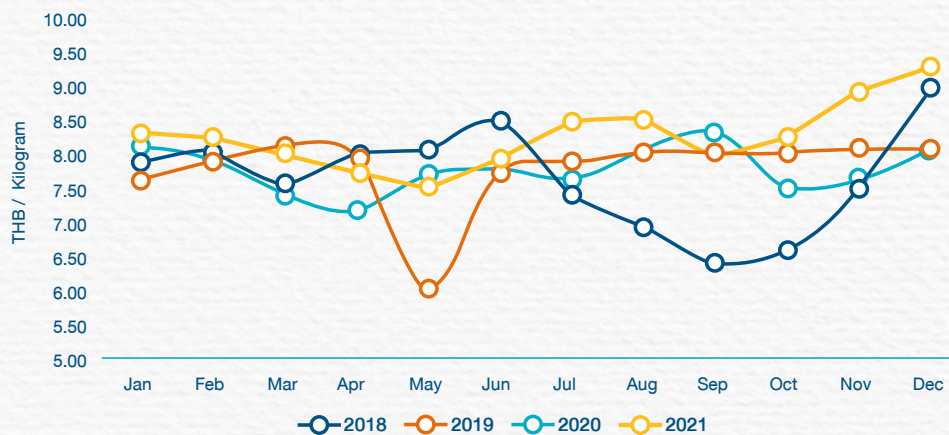


Source: Department of Internal Trade.

As of December 2021, fish meal price was at THB 36.4 per kilogram, 1.6% dropped from THB 37.0 per kilogram at the

end of September 2021, while 2021's average fish meal price increased 6.2% from 2020.

Maize Price



Source: Bank of Thailand.

As of December 2021, maize price was at THB 9.3 per kilogram, 16.4% increased from THB 8.0 per kilogram at the

end of September 2021, while 2021's average maize price increased 6.0% from 2020.

General Information and Other Material Facts

5.1 General Information

5.1.1 The Company

Company's Name	: Thai Union Feedmill Public Company Limited
Type of Business	: Manufacturer and distributor of animal feeds
Head Office	: No. 89/1 Moo 2, Rama II Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
Branches	: (1) No. 103/1 Moo 2, Pak Trae Sub-district, Ranot District, Songkhla Province (2) No. 28/1 Moo 9, Yok Krabut Sub-district, Ban Phaeo District, Samut Sakhon Province (3) No. 113 Moo 2, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province (4) No. 2/2 Moo 5, Bang Sak Sub-district, Kantang District, Trang Province

Plant Locations

Mahachai Plant	: No. 89/1 Moo 2, Rama II Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
Ranot Plant	: No. 103/1 Moo 2, Songkhla-Ranot Road., Pak Trae Sub-district, Ranot District, Songkhla Province 90140
Registration Number	: 0107562000220
Tel.	: 034-417-222
Fax.	: 034-417-255
Company's Website/Homepage	: www.thaiunionfeedmill.com
Registered capital as of 31 December 2021	: THB 1,000.0 million
Paid-up capital as of 31 December 2021	: THB 1,000.0 million

5.1.2 Subsidiaries

5.1.2.1 PT Thai Union Kharisma Lestari (TUKL)

Subsidiary's Name	: PT Thai Union Kharisma Lestari
Type of Business	: Manufacturer and distributor of animal feed in Indonesia
Head Office and Plant Location	: Jl. Raya Gresik Lamongan KM. 39, RT/RW 005/001, Kelurahan Pandanpancur, Kecamatan Deket, Kabupaten Lamongan, Jawa Timur
Registration Number	: 8120116242206
Tel.	: +62 (0) 31-7491000
Registered capital as of 31 December 2021	: IDR 199,920 million (or approx. THB 458 million ¹)
Paid-up capital as of 31 December 2021	: IDR 199,920 million (or approx. THB 458 million ¹)

Remark:

¹ Calculated from the sum of registered capital and paid-up capital in Thai Baht (THB).

5.1.2.2 AMG–Thaiunion Feedmill (Private) Limited (AMG–TFM)

Subsidiary's Name	: AMG–Thaiunion Feedmill (Private) Limited
Type of Business	: Manufacturer of animal feeds, operator of shrimp and fish breeding farms, and processor of seafood in Pakistan
Head Office and Plant Location	: 54-B, Sukh Chayn Gardens, Near Bahria Town, Lahore, Iqbal Town, Lahore, Punjab
Registration Number	: 0172082
Tel.	: +92 (0) 34-58460707
Registered capital as of 31 December 2021	: PKR 340 million (or approx. THB 69.9 million ¹)
Paid-up capital as of 31 December 2021	: PKR 300 million (or approx. THB 60.7 million ¹)

5.1.3 Other References

Security Registrar

Security Registrar	: Thailand Securities Depository Company Limited
Head Office	: No. 93, Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400
Tel.	: 02-009-9000
Fax.	: 02-009-9991

Auditor

Auditor	: PricewaterhouseCoopers ABAS Limited
Head Office	: No. 179/74-80 15 th Floor Bangkok City Tower South Sathorn Road, Thung Maha Mek Sub-district, Sathorn District, Bangkok 10120
Tel.	: 02-844-1000
Fax.	: 02-286-0500

5.2 Legal Dispute

As of 31 December 2021, the Company did not have any court case, arbitration case, or legal proceeding of significance that was directly related to the Company and believed to have severe negative impact on the Company's assets at the value at least 5% higher than the shareholders' equity, or to have a significant effect on the Company's financial status, performance, and business operations as well as the direction of the Company in the future.

5.3 Secondary Market

None

5.4 Frequently Contacted Financial Institution

None

2



Corporate Governance



The Company emphasizes good governance as an important mechanism to **ensure efficient, transparent and accountable management system.**



Corporate Governance Policy

6.1 Policy and Guidelines on Corporate Governance

The Company realizes that good governance leads to sustainable growth and acceptance. The Board of Directors thus developed a Corporate Governance Policy based on the principles and practices of the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission (SEC) of Thailand. The Company's Corporate Governance Policy prescribes a diverse set of qualifications for directors including skills, experience, gender, and specific capabilities that are beneficial for the Company, and the procedure to recruit directors with leadership, vision, and responsibility. The Policy determines management structure with supervising and monitoring measures as well as a balance of power to ensure fair, ethical, and transparent management, with due consideration given to equality between shareholders and stakeholders. These are to enhance competitiveness of the Company which in turn affects the confidence of shareholders, investors, and all relevant stakeholders. They will also ensure the continuity of the Company's operations, while creating value for the business in a sustainable manner. Details of the Company's Corporate Governance Policy can be found on the website www.thaiunionfeedmill.com under the section "corporate governance" and the subsection "corporate governance policy". The Company's Corporate Governance Policy covers 8 sections as follows:

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

6.2 Code of Conduct

It is the Company's intention to have a successful business. Apart from the commitment and immense care given to the operations, the adherence to ethics, morality, transparency, and integrity will help the Company achieve sustainable success. To ensure legal and ethical conformity of the Company's operations, the Board of Directors, members of various committees, executives, and employees, the Company has developed Code of Conduct to guide the Board of Directors, members of various committees, executives and employees. The code can be found on the website www.thaiunionfeedmill.com under the section "corporate governance" and the subsection "corporate governance policy".

The Company has communicated to all executives and employees about business ethics, and regularly monitors the compliance of employees. Every executive and employee needs to give their signature to acknowledge and strictly follow the Company's business ethics code.

6.3 Important Changes and Developments of the Corporate Governance Policy, Guidelines and System in 2021

6.3.1 Important Changes and Developments in 2021

The Company emphasizes good governance as an important mechanism to ensure efficient, transparent and accountable management system. This helps build confidence and trust for shareholders, investors, stakeholders and all relevant parties. Good governance is a tool to add value, enhance competitiveness, and support the Company's sustainable growth in the long term.

The Board of Directors monitored the compliance with the Corporate Governance Policy and develop personnel to become more ethical. In 2021, the Company communicated relevant information to executives and all levels of employees across the organization. This was done during the orientation of new employees. They were then asked to sign to acknowledge and comply with the Corporate Governance Policy and Code of Conduct. Compliance is monitored regularly.

Application of the Principles and Practices of the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission (SEC) of Thailand and the Stock Exchange of Thailand

The Company's Board of Directors is aware of the Corporate Governance Code for Listed Companies 2017 (CG Code) and its leading role in creating values for the business in a sustainable

manner. The Company has arranged for the assessment of compliance of Good Governance Policy, and business ethics to be carried out at least once a year. The Company has finished the overall assessment of good governance principles. However, there are some issues that are not yet implemented. Details and rationales are as follows:

Issue that has not been implemented by the Company	Rationale/Explanation
The Board of Directors appoints Nomination Committee whereby the majority of the members and the Chairman are independent directors.	The Company prescribes that the Board of Directors must ensure the transparency of the recruitment and selection of directors, with clear criteria and procedure. Factors including educational background, professional experience, qualifications, and any expression of prohibited traits must be taken into consideration with sufficient supporting details.
The Board of Directors appoints Remuneration Committee whereby the majority of the members and the Chairman are independent directors. They are to consider policy and criteria for the determination of remuneration.	The Company tasks the Board of Directors to supervise the consideration of remuneration to ensure compliance with criteria and guidelines on fair remuneration. Such consideration must be transparent and appropriate with duties and responsibilities of personnel, on par with the standards of other similar businesses. Remuneration of the Board of Directors and sub-committees are to be approved by a shareholders' meeting.
Meeting of non-executive directors.	Directors are free to express their opinions and discuss any matters without limitation in the Board of Directors' Meetings. They may raise any issues that may not be in the agenda but are beneficial to the Company. The Company is to hold the Meeting of non-executive directors from next year onwards to conform with the Company's determination.

6.3.3 Compliance with the Principles of Good Governance in other Areas

The Company is aware of the standards of good governance used in other companies or organizations that are accepted both domestically and internationally, such as the Corporate Governance Report (CGR) and the ASEAN CG Scorecard, as well as the qualitative assessment of shareholders' meetings.

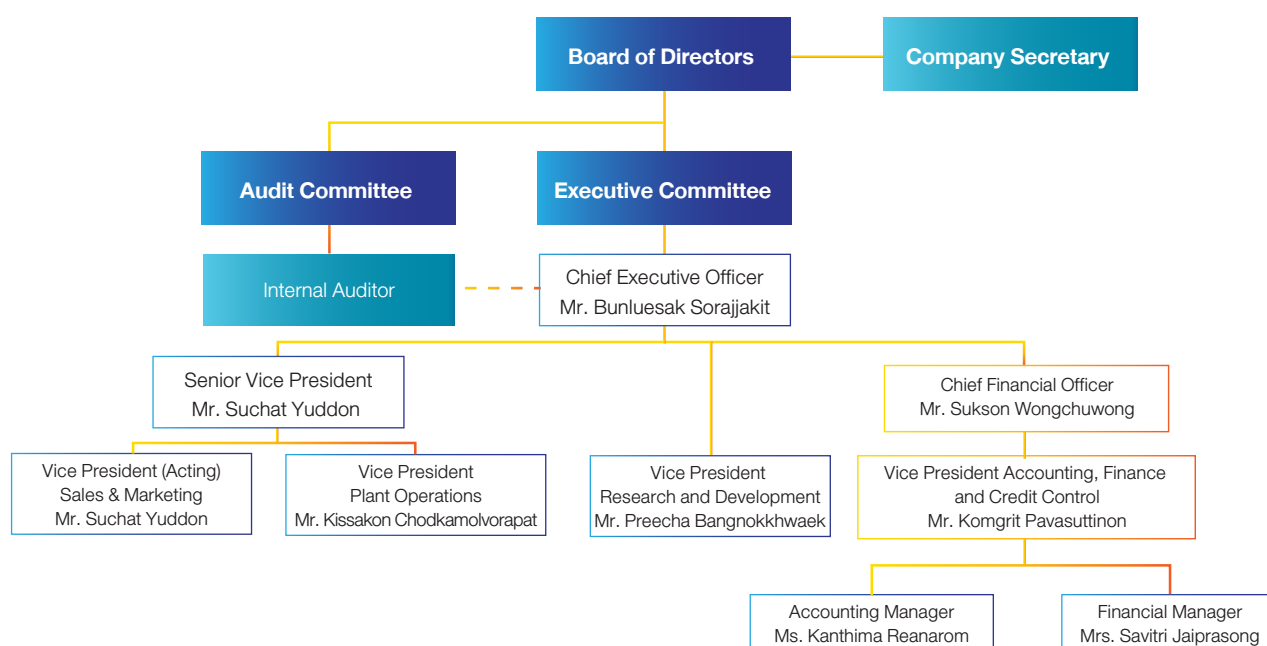
When the Company has a plan to improve good governance principles to be in line with the aforementioned assessment, the Company will propose to the Board of Directors for approval.



Corporate Governance Structure

7.1 Corporate Governance Structure

As of 31 December 2021, the Company's corporate governance structure was as follows:



The Company's management structure consists of the Board of Directors and two sub-committees, namely the Audit Committee and the Executive Committee.

7.2 Board of Directors

As of 31 December 2021, the Board of Directors consisted of 9 directors as follows:

- | | | |
|----|--|--|
| 1. | Mr. Rittirong Boonmechote ¹ | Chairman of the Board |
| 2. | Mr. Thiraphong Chansiri | Director |
| 3. | Mr. Cheng Niruttinanon | Director |
| 4. | Mr. Bunluesak Sorajjakit | Director |
| 5. | Mr. Chan Shue Chung | Director |
| 6. | Mr. Kanit Vallayapet ² | Director |
| 7. | Mrs. Rachadaporn Rajchataewindra | Independent Director and Chairman of the Audit Committee |
| 8. | Dr. Somchai Thaisanguanvorakul | Independent Director and Member of the Audit Committee |
| 9. | Mrs. Morragot Kulatumyotin | Independent Director and Member of the Audit Committee |
| | Mr. Sukson Wongchuwong | Company Secretary |

Remarks:

¹ Mr. Rittirong Boonmechote was the Chairman of the Board of Directors but not an independent director. Therefore, the Board of Directors' Meeting No. 9/2018 on 25 December 2018 appointed an independent director, Dr. Somchai Thaisanguanvorakul to perform with the Chairman of the Board in determining agenda for meetings of the Board of Directors, in line with the Principles of Good Corporate Governance for Listed Companies 2017.

² The Board of Directors' Meeting No. 1/2021 on 11 February 2021 approved the appointment of Mr. Kanit Vallayapet as a director replacing the former director who had resigned.



The Company has a plan to improve good governance principles to be in line with the aforementioned assessment, the Company will propose the plan to the Board of Directors for approval.

Authorized Directors to Sign be Binding the Company According to the Company Registration Certificate

The number and name of the directors authorized to sign be binding the Company are any two of these five directors can jointly sign be binding the Company and affix together with the Company's seal, Mr. Thiraphong Chansiri, Mr. Cheng Niruttinanon, Mr. Rittirong Boonmechote, Mr. Chan Shue Chung, and Mr. Bunluesak Sorajjakit.

Scope, Authority, Duties and Responsibilities of the Board of Directors

- 1) Perform duty in compliance with the law, objectives, policies, regulations, and decisions set by the shareholders' meetings with accountability and integrity. Safeguard the interests of the Company and its affiliates.
- 2) Consider and approve objectives, vision, mission, policy, business plans, business directions and strategies, annual budget, business expansion plans, investment plans, and financial plans of the Company and its affiliates as proposed by the Executive Committee or management. Such abovementioned documents may propose to the shareholders' meeting (if necessary).
- 3) Oversee the management and performance of the Executive Committee, management, employees or any persons assigned with the task to ensure compliance with the vision, mission, policies, business plans, business directions and strategies, annual budget, business expansion plans, investment plans, and financial plans that have been approved by the Board of Directors in an efficient and effective manner, aiming to create the highest economic values for the Company and its affiliates, as well as highest wealth for shareholders, while protecting their interests.
- 4) Regularly monitor operations of the Company and its affiliates to ensure that they are in accordance with operational plans and budget of the Company.
- 5) Be aware of key risk factors. Provide suggestions and opinions on risk management approaches in a comprehensive manner, and oversee the executives to ensure systematic and effective procedures in risk management, including risks that may arise from efforts to seek business opportunities.
- 6) Consider and approve the entering into contracts or normal business transaction, support normal business

transactions of the Company and its subsidiaries on arm's length basis including opening and closing of accounts, using financial services with commercial banks or financial institutions, becoming a guarantor or making transactions for normal transactions of the Company's business within the limit and budget for items that are beyond the approving authorities of the Board of Directors.

- 7) Approve investment expenditures, operations, loans or credit requests from financial institutions, as well as collateral for the purpose of normal business operations of the Company and its affiliates, in accordance with the Company's rules and regulations, as well as relevant regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Capital Market Supervisory Board.
- 8) Approval of transactions as proposed by sub-committees and/or management. Ensure that transactions of the Company and its affiliates are in line with the law on securities as well as announcements, regulations, and criteria of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand. Such transactions include related party transactions and acquisition or disposition of assets transactions that are not in breach of the law or in conflict with other laws. Oversee the Company to ensure appropriate and effective financial statement system, as well as the production of financial statements and notes to financial statements according to the legally-prescribed standards of financial statements. Financial statements are to be submitted to the Stock Exchange of Thailand and/or other authorities within the designated time.
- 9) Approve quarterly financial statements that have been reviewed by the external auditor and endorse annual financial statements that have been reviewed by the external auditor for onward submission to the annual shareholders' meeting for approval.
- 10) Endorse the selection and nomination of the external auditor and consider appropriate remunerations as proposed by the Audit Committee, for onward submission to the annual shareholders' meeting for approval.
- 11) Approve interim dividend payment and endorse the annual dividend payment for onward submission to the annual shareholders' meeting for approval.
- 12) Ensure that the Company has sufficient and effective internal control and internal audit systems, as well as ensure

that the Company has procedures on regular assessment of the internal control system of the Company and its affiliates.

- 13) Approve related party transactions between the Company and its affiliates, and related person as prescribed by the Securities and Exchange Act B.E. 2535 (1992) (including amendments), as well as relevant rules and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board. Approve in-principle trade agreements, with arm's length basis, when conduct transactions between the Company and its affiliates, and directors, executives or relevant persons to determine operational frameworks so that the Executive Committee, and the management have the power to conduct transactions under the framework and scope of the law and related criteria.
- 14) Pay close attention to and resolve issues of conflict of interests and related party transactions. Emphasis must be given to key transactions that have the potential to generate best benefits to shareholders and stakeholders.
- 15) Approve the appointment of director when it becomes vacant not by rotation, endorse the nomination of an individual to fill in a position of a director whose term has ended, and determination of directors' remunerations, for onward submission to the annual shareholders' meeting for approval.

The individual to be nominated as a director must be qualified and must not have any prohibited characters as specified in the Public Limited Companies Act B.E. 2535 (1992) (including amendments), the Securities and Exchange Act B.E. 2535 (1992) (including amendments), as well as relevant announcements, rules and regulations.
- 16) Determine and amend the names of authorized directors.
- 17) Approve the establishment of sub-committees including the Audit Committee, the Executive Committee or other committees. Determine scope, duties, and responsibilities of such sub-committees to help and support the performance of the Board of Directors, management and internal control systems. Determine remunerations for sub-committee members (not more than the total amount approved by the shareholders).

- 18) Ensure that the Company has in place Corporate Governance Policy, Code of Conduct, written policy on good corporate governance that reasonably specifies principles and good practices for directors, committee members, the executive, and employees. The aim is to instill the responsible attitude in the conduct of the work, and understanding. Once released, the Company needs to strictly follow, together with the Company's rules and regulations to ensure fairness to all stakeholders. Emphasize the conduct of business that is responsible to society, and the environment, as well as the betterment of the Thai society.
- 19) Conduct assessments on the implementation of Corporate Governance policy, the code of conduct, and policies related to corporate governance at least once a year. Supervise the Company's operations to safeguard the interests of shareholders. Disclose accurate, comprehensive, standardized and transparent information to shareholders and investors.
- 20) Provide channels to appropriately communicate with each group of shareholders and supervise the disclosure of information to ensure that it is clear, accurate, transparent, credible and of highest standard.
- 21) Hold shareholders' meeting at least once a year (the Annual General Meeting) within 4 months after the end date of the fiscal year. Ensure that the proceedings of a shareholders' meeting, both the Annual General Meeting or the Extraordinary General Meeting are smooth, transparent, and efficient. Such proceedings must facilitate shareholders to exercise their rights in the approval of items that need to be approved by the shareholders' meeting. Ensure that the decisions are disclosed and reports to the Stock Exchange of Thailand are submitted within the stipulated timeframes.
- 22) Produce the Annual Registration Statement (Form 56-1), and Annual Report (Form 56-2) and submit to the shareholders' meeting for consideration and approval according to the provisions of the law, and the announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 23) Ensure compliance of the good practices of directors of a listed company, as provided by the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.



- 24) Encourage the directors and executives to attend trainings and seminars by the Thai Institute of Directors according to their respective duties and responsibilities.
- 25) The Board of Directors may grant power of attorney to and/or delegate other persons to conduct certain tasks. Such power of attorney or sub-delegation are to be within the scope of authorization specified in the power of attorney and/or in accordance with the rules, regulations or orders of the Board of Directors and/or the Company. The delegation of power, duties and responsibilities by the Board of Directors must not enable the Board of Directors or the authorized to approve transactions where they may be in conflict (as defined by the announcement of the Securities and Exchange Commission, and/or the Capital Market Supervisory Board, and/or the Stock Exchange of Thailand, and/or a relevant agency), have stake in or be beneficial in anyway or be in conflict of interest with the Company or its affiliates. Exceptions are when such transaction is in accordance with the policy and rules approved by the shareholders' meeting or the Board of Directors, and such transaction is in accordance with normal business practices and arm's length basis, in accordance with the announcement of the Securities and Exchange Commission, and/or the Capital Market Supervisory Board, and/or the Stock Exchange of Thailand, and/or a relevant agency.
- 26) Ask for professional opinion from external when necessary, for the purpose of making an appropriate decision.
- 27) Assess the performance of the Board of Directors collectively and individually to review the performance, issues, and obstacles annually. Results of the assessment will be



used to further develop and improve the performance in various aspects.

- 28) Review the Charter of the Board of Directors at least once a year.
- 29) Conduct any other deed as assigned by the shareholders' meeting.
- 30) Approve the appointment of the Company Secretary to oversee various activities of the Board of Directors. Determine qualifications and experience of the Company Secretary which are necessary and appropriate to support the work of the Board of Directors. Disclose such qualifications and experience of the Company Secretary in the Company's annual report and website.

Tenure

- 1) At every Annual General Meeting of Shareholders, one-third of the total number of directors are to retire. If the number of directors is not divisible, the number of retiring directors will need to be as close to the one-third ratio as possible. Directors who have retired by rotation may be nominated back as deemed appropriate by the Board of Directors.
- 2) A director is retired in the case of
 - 1) rotation
 - 2) resignation
 - 3) the lack of qualification or incompatibility in accordance with the law on public companies, law on securities and exchange, announcement of Capital Market

Supervisory Board, regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and provisions of the Company's regulations.

- 4) death
- 5) decision of the shareholders' meeting
- 6) court order
- 3) Should a director wish to resign before the tenure ends, the director is to tender the letter of resignation, together with the rationale for resignation to the Chairman of the Board of Directors at least 30 days in advance, except in a necessary and appropriate case.
- 4) If a director position becomes vacant due to other reasons apart from completion of tenure, the Board of Directors shall select an individual with qualifications, without incompatibilities according to the law on public companies, and the law on securities and exchange, to become a director in the following meeting of the Board of Directors, unless the remaining tenure of the director is less than 2 months. The individual selected may remain a director for the remaining tenure of that position. The decision taken by the Board of Directors must consist of at least three-fourth of the votes of the remaining directors.

Independent Director

The Company has guidelines on the recruitment of directors and independent directors. The Board of Directors is to recruit appropriate individuals, with suitable expertise for the

Company's business operations. Their profiles are considered before being nominated to the shareholders' meeting for approval. Shareholders are to receive sufficient information about the nominated individuals. The nomination and dismissal of directors must be carried out by the shareholders' meeting. Each shareholder has a right to vote in proportion to share volume owned; the principle of "one share, one vote" is applied. Each shareholder is required to cast the entire vote owned in one for one or more candidates but cannot split the vote into portions. Candidates shall be entitled to directorship based on votes received. A candidate with the highest number of votes is first entitled to directorship, followed by other candidates with less votes, respectively. If there are equal votes for individuals beyond the number of vacant positions in that election, the Chairman will make a decisive vote on the candidate to become a director. Directors and independent directors need to have the following qualifications.

1. Possess qualifications, without any incompatibilities, in accordance with the Public Limited Companies Act B.E. 2535 (1992) (including amendments) or the criteria prescribed by the Securities and Exchange Commission. Directors must not possess any traits of character that may warrant them unable to manage an enterprise where the public hold shares, as per the provisions of the Securities and Exchange Commission and other relevant criteria.
2. Adhere to integrity and ethics in the conduct of businesses. Have commitment to continue the business operations. Possess beneficial knowledge, expertise, capabilities, and experience.
3. Able to exercise discretion in an open manner, independent from the management team and other interested parties.
4. Able to devote sufficient time for the Company and take good care in items under one's own responsibilities. Prioritize the determination of the vision, mission, directions and strategies of the Company and Company's grouping. Directors are to engage fully in discussions and to explore information that is beneficial to the decisions regarding the directions of the Company and its affiliates
5. An independent director must fulfil qualifications prescribed in the announcement of the Capital Market Supervisory Board and the provisions of the Securities and Exchange Commission, and the Stock Exchange of Thailand. The scope of duties and responsibilities of

independent directors are also to be in line with the announcement by the Stock Exchange of Thailand.

6. Directors may not conduct any business of the same nature and in conflict with the businesses of the Company and its affiliates or ones that the Company holds shares in. Directors must not take up position in other juristic persons that conduct business of the same nature and in conflict with the businesses of the Company and its affiliates, be it for their own benefits or others', unless such involvement is made known to the shareholders' meeting prior to the decision to approve the nomination.

7.3 Sub-committees

Apart from the Board of Directors, the Company consists of two sub-committees, namely the Audit Committee and the Executive Committee. Details are as follows:

7.3.1 Audit Committee

As of 31 December 2021, the Audit Committee was consisted of 3 directors:

- | | |
|-------------------------------------|--|
| 1. Mrs. Rachadaporn Rajchataewindra | Independent Director and Chairman of the Audit Committee |
| 2. Dr. Somchai Thaisanguanvorakul | Independent Director and Member of the Audit Committee |
| 3. Mrs. Morragot Kulatumyotin | Independent Director and Member of the Audit Committee |
| Mr. Peach Kaewmanee | Secretary of the Audit Committee |

Mrs. Rachadaporn Rajchataewindra is a director who is qualified to review the Company's financial statements (*qualifications and experience of the three members of the Audit Committee can be found in Attachment 1*).

The Company has appointed Mr. Peach Kaewmanee, Internal Audit Manager, as the Head of Internal Audit. Mr. Peach is qualified by his education and training backgrounds. IATU has been appointed to inspect and assess the Company's internal control system together with the Company's internal audit department. They are to report directly to the Audit Committee.

On 16 February 2022, the Audit Committee's Meeting has appointed Mr. Thanyathep Thiwakornsakul as Internal Audit Manager, replacing Mr. Peach Kaewmanee, who has been transferred to another department within the Company. Mr. Thanyathep is sufficiently qualified by his education and training backgrounds to oversee the work. Details on the profile and experience of the Head of Internal Audit can be found in Attachment 3, under the section on details relating to the Head of Internal Audit.

Scope, Authority, Duties, and Responsibilities of the Audit Committee

- 1) Review the Company's financial reporting system and disclosure of information in financial statements, in accordance with the financial reporting standards, and as required by law in a transparent, accurate, and sufficient manner.
- 2) Encourage the Company to develop the financial reporting system in line with international financial reporting standards.
- 3) Consider, select, nominate, or dismiss independent individuals to become the Company's external auditor. Propose remunerations and assess the performance of the external auditor, and submit to the Board of Directors for consideration, for onward submission to the shareholders' meeting for approval. Conduct meeting together with the external auditor without the involvement of the management team at least once a year.
- 4) Review the Company's internal control system in accordance with the Internal Control Framework: COSO 2013, and internal audit that is suitable, efficient, and effective, in accordance with the universally accepted approach and standards.
- 5) Review the accuracy, the efficacy and effectiveness of the information technology (IT) system related to internal control, financial reporting, risk management, information and network securities, and propose ways to continually update them.
- 6) Review and approve "Assessment on the Sufficiency of Internal Control System" which has been audited and assessed by the internal audit department, to ensure that the Company has sufficient internal control system.
- 7) Consider, appoint, transfer, dismiss the Head of Internal Audit. Annually assess the performance of internal audit in accordance with international standards, and provide comments on the work of internal audit department.
- 8) Consider the independence of internal audit (department), taking into account the performance and various reports, as well as the lines of command.
- 9) Consider hiring external consultants to provide advice or to conduct work relating to internal audit.
- 10) Review the Charter for internal audit at least once a year.
- 11) Approve internal audit plans, budget, and manpower of internal audit department. Consider scope of audit and audit plans of the external audit and internal audit department to ensure compatibility and reduce duplications in terms of financial audit.
- 12) Visit various units and departments in the Company and subsidiaries both in Thailand and abroad to review operational system, risk management system, internal control system, environmental management system, as well as issues related to financial statements, external and internal auditors. The visit should cover plants in order to inspect the production, inventory management, and general atmosphere.
- 13) Review the sufficiency of the governance system of the Company and subsidiaries both in Thailand and abroad.
- 14) Review compliance with the laws regarding securities and exchange, provisions of the Securities and Exchange Commission, the Stock Exchange of Thailand, other relevant laws and regulations as well as decisions of the Board of Directors.





- 15) Review the Company's preventive work which should further enhance the efficacy and effectiveness of the operations, as well as review the Company's internal processes regarding whistleblowing and complaints.
- 16) Review the Company's risk management system to ensure appropriate risk management system which is efficient and effective. The Audit Committee may mandate Chief Executive Officer (CEO) to set up a risk management team to oversee the matter as appropriate and necessary. CEO and/or the risk management team must report risk factors, and approaches to risk management to the Audit Committee regularly at least once every quarter.
- 17) Scrutinize related party transactions or transactions that may amount to conflict of interest, as well as the acquisition and disposition of assets to be in line with the law and provisions of the Stock Exchange of Thailand.

Such transactions must be reasonable and of highest benefit to the Company, and in accordance with the law on securities and exchange, provisions of the Securities and Exchange Commission, the Stock Exchange of Thailand, other relevant laws, rules and regulations, as well as decisions of the Board of Directors.

- 18) Review the Company's compliance with the laws on securities and exchange, regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other relevant bodies of law.
- 19) Review the Company's anti-corruption measures to be effective and in line with the approaches of various regulators. Such measures cover the risk management, the establishment of internal control system, internal audit, the review of the accuracy of reference documents, and self-assessment on anti-corruption measures, following inspection and assessment by respective departments. These are to ensure that the Company has in place various anti-corruption measures as reported in the self-assessment of the Institute of Directors.
- 20) Produce reports of the Audit Committee which are to be publicized in the Company's annual reports. Reports of the Audit Committee must be signed by the Chairman of the Audit Committee and must include at least the following information:
 - a. Opinions on the accuracy, completeness, and credibility of the Company's financial reports;
 - b. Opinions on the sufficiency of the Company's internal control system;
 - c. Opinions on the compliance with the laws on securities and exchange, regulations of the Stock Exchange of Thailand or other relevant bodies of law;
 - d. Opinions on the suitability of the external auditor;
 - e. Opinions on transactions that may be deemed to be in conflict of interests;
 - f. The number of meetings of the Audit Committee and meeting attendance statistics of each member of the Audit Committee;
 - g. General opinions or observations of the Audit Committee from carrying out duties as stipulated in the Charter;
 - h. Other matters that ordinary shareholders and investors should be aware of, within the scope of duties and responsibilities assigned by the Board of Directors.

- 21) Mandated to review any relevant individuals under the scope of duties of the Audit Committee, and is also mandated to hire or bring in experts in specific fields to assist with the work on internal audit, risk management or any other matter under the scope of duties of the Audit Committee, while conforming to the Company's regulations.
- 22) Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial status and performance of the Company, the Audit Committee is to report such events to the Board of Directors to find a remedy within a period deemed appropriate by the Audit Committee.
- Transaction which may cause conflicts of interest;
 - Fraud or irregular events or material flaws in the internal control system;
 - Violations of laws pertaining to the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or laws pertaining to the Company's business.
- Should the Board of Directors or the executives fail to rectify the issues within the period of time specified by the Audit Committee, any member of the Audit Committee may report the issue to the Securities and Exchange Commission or the Stock Exchange of Thailand.
- 23) Review the Charter of the Audit Committee and submit it for endorsement of the Board of Directors.
- 24) Conduct self-assessment both collectively and individually at least once a year and report the results to the Board of Directors.
- 25) Carry out any other duties assigned by the Board of Directors.
- 26) Appoint secretary of the Audit Committee to oversee various activities of the Audit Committee. Determine qualifications and experience for the position of secretary of the Audit Committee as necessary and appropriate for the task of supporting the work of the Audit Committee.

Tenure

The Audit Committee consists of at least 3 independent directors who can exercise their own discretion freely. They must be able to read and understand the basics of financial statements. One of member must be knowledgeable in accounting or relevant financial management as specified

by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee must be able to communicate directly with the external auditor, internal auditor, and the management team of the Company. The Audit Committee is to nominate one member to be the Chairman of the Audit Committee.

- The tenure of an Audit Committee member is 3 years.
- Audit Committee member who retires on rotation may be reappointed as deemed appropriate by the Board of Directors.
- Member of the Audit Committee retires in the case of:
 - rotation
 - retirement from the Board of Directors
 - resignation
 - death
 - lack of qualification to become member of the Audit Committee according to the regulations or criteria of the Securities and Exchange Commission or the Stock Exchange of Thailand or any other relevant announcements, rules, and/or regulations.
 - Decision of the Board of Directors or the shareholders' meeting.
- Should a director wish to retire from the Audit Committee before the tenure lapses, the director will need to tender the letter of resignation together with the reason for resignation to the Chairman of the Board of Directors at least 30 days in advance except in a necessary and appropriate case. The Company will inform the resignation to the Stock Exchange of Thailand immediately.
- In case a position in the Audit Committee becomes vacant not by rotation, the Board of Directors may appoint a qualified individual to fill the vacant position. In case the vacant position leads to the composition of the Audit Committee not conforming to the specified criteria, the Board of Directors is to speedily appoint a qualified individual to fill the vacant position and within 3 months after the position becomes vacant. This is to ensure that the composition of the Audit Committee is according to the prescribed criteria. The appointment of a new director to become member of the Audit Committee is to be reported to the Stock Exchange of Thailand. The substitute member of the Audit Committee shall be in office only for the remaining tenure.



7.3.2 Executive Committee

As of 31 December 2021, the Executive Committee consisted of 3 members as follow:

- | | |
|------------------------------|--------------------------------------|
| 1. Mr. Rittirong Boonmechote | Chairman of the Executive Committee |
| 2. Mr. Thiraphong Chansiri | Member of the Executive Committee |
| 3. Mr. Bunluesak Sorajjakit | Member of the Executive Committee |
| Mr. Sukson Wongchuwong | Secretary of the Executive Committee |

Scope, Authority, Duties and Responsibilities of the Executive Committee

- 1) Oversee the management of the Company to comply with the laws, objectives, policy, and regulations of the Company, and decisions of the shareholders and decisions of the Board of Directors with responsibility, integrity, and effort to protect interests of the Company and its affiliates.
- 2) Provide opinions and endorse goals, vision, mission, policy, business plans, business directions and strategies, annual budget, business expansion plans, investment plans, and financial plans of the Company and its affiliates, as well as scrutinize proposals of the management team, and submit them to the Board of Directors for approval.
- 3) Oversee, control, and monitor business operations, performance, and financial status of the Company and the Company's grouping, to ensure that they are in accordance with policy, business strategies, plans, targets, and budget approved by the Board of Directors. Efficiently allocate, manage and evaluate the use of resources, in order to achieve key objectives and targets in a sustainable manner. These are to be regularly reported to the Board of Directors.
- 4) Analyze profits and losses of the Company and subsidiaries, and provide recommendations on dividend payments of the Company and subsidiaries, and propose to the Board of Directors for approval.
- 5) Consider and approve rules, regulations, management policy, and business operations of the Company or any other conduct that obligates the Company as mandated by the Board of Directors or as the Board of Directors had approved in principle, or as mandated in the Company's Schedule of Authority.
- 6) Approve the entering into contracts or normal business transaction, supporting business transaction of the Company and subsidiaries on arm's length basis including opening and closing of financial accounts, using financial services with commercial banks or financial institutions, becoming a guarantor or making transactions for normal transactions of the Company's business within the limit,

not exceeding the budget as mandated by the Board of Directors or as the Board of Directors had approved in principle, or as mandated in the Company's Schedule of Authority.

- 7) Study the possibility to invest in new projects. Authorized to consider and approve the Company's investing or co-investing with individuals, juristic persons or any other business organization in the way deemed appropriate by the executive committee to carry out businesses according to the Company's objectives, as well as consider and approve the payment for investment, entering into contracts, and/or any other related conduct until finished as assigned by the Board of Directors or as the Board of Directors had approved in principle, or as mandated in the Company's Schedule of Authority.
- 8) Monitor the performance and progress of each investment project and report the total performance, as well as issues and obstacles and remedies to the Board of Directors for information.
- 9) Supervise the management and determine the management structure of the Company for efficient management. Follow up on the management of the Company's grouping to safeguard interests of the Company's investment.
- 10) Appoint and determine remunerations of the Chief Executive Officer and executives as defined by the Securities and Exchange Commission and the Stock Exchange of Thailand or the Capital Market Supervisory Board. Give mandate to CEO to assign, appoint, dismiss, prescribe, promote, demote, suspend salary or wage, and transfer employees who are not deemed executives according to the above definition.
- 11) Ensure that there is an appropriate system to select personnel to be responsible for all key executive positions. The selection process must be transparent and just.
- 12) Consider and provide opinions on matters that require approval from the Board of Directors, except activities that the Board of Directors has assigned other committees to conduct or implement.
- 13) Provide for channels of communication with the Board of Directors and/or each group of shareholders in an appropriate manner. Supervise the disclosure of information to ensure that it is clear, accurate, transparent, credible and of highest standards.

14) Delegate any individual or many individuals to carry out tasks under the jurisdiction of the Executive Committee or delegate the individual with the power as deemed appropriate by the Executive Committee, and within the period deemed appropriate by the Executive Committee. The Committee may cancel, revoke, change, or amend the authorized person or the power of attorney as deemed appropriate.

15) The delegation of power done within the scope of duties must not enable the authorized to approve transactions that the individual or other individuals who may be in conflict (as defined in the announcements by the Capital Market Advisory Board, and/or the Stock Exchange of Thailand, and/or the relevant agency) have stakes in, or be in conflict of interest with the Company or its affiliates. The Executive Committee does not have the mandate to approve undertakings related to that matter. It needs to be submitted to the Board of Directors and/or the shareholders' meeting (depending on the case) for approval, except the approval is to be given to transactions according to normal business, in accordance with provisions stipulated in the announcement of the Capital Market Advisory Board, and/or the Stock Exchange of Thailand, and/or relevant agency. The Executive Committee has the right to invite the management team or any individual related to the Company and its affiliates to provide opinions, attend meetings, or provide related information, and ask for information from various departments of the Company and its affiliates for further consideration.

16) May seek independent opinions from consultants from other professions when deemed necessary, payable with the Company's budget.

17) Review the Charter of the Executive Committee and submit to the Board of Directors for endorsement.

18) Conduct self-assessment on the Executive Committee both collective and individual assessments, at least once a year. Results of the assessment are to be reported to the Board of Directors.

19) Carry out any other duties as assigned by the Board of Directors.

20) Appoint secretary of the Executive Committee to oversee various activities of the Executive Committee. Determine qualifications and experience for the position of secretary of the Executive Committee as necessary and appropriate for the task of supporting the work of the Executive Committee.

Tenure

1. The tenure of an Executive Committee member is 3 years.
2. Executive Committee member who retires on rotation may be reappointed as deemed appropriate by the Board of Directors.
3. Member of the Executive Committee retires in the case of:
 - a. rotation
 - b. For any member of the Executive Committee who is also a director, when the tenure of the position of the director ends, it will be deemed the tenure of being a member of the Executive Committee also ends.
 - c. resignation
 - d. death
 - e. decision of the Board of Directors or the shareholders' meeting

Should a director who is a member of the Executive Committee wish to resign before the tenure ends, the director is to tender the letter of resignation, together with the rationale for resignation to the Chairman of the Board of Directors at least 30 days in advance, except in a necessary and appropriate case.

7.4 Management

As of 31 December 2021, the management team consisted of 8 executives as follows:

- | | |
|----------------------------------|---|
| 1. Mr. Bunluesak Sorajakit | Chief Executive Officer |
| 2. Mr. Suchat Yuddon | Senior Vice President and (Acting) Vice President - Sales and Marketing |
| 3 Mr. Sukson Wongchuwong | Chief Financial Officer |
| 4. Mr. Kissakon Chodkamolvorapat | Vice President - Plant Operations |

- | | |
|-----------------------------|--|
| 5. Mr. Preecha Bangnokkhaek | Vice President - Research and Development |
| 6. Mr. Komgrit Pavasuttinon | Vice President - Accounting, Finance, and Credit Control |
| 7. Ms. Kanthima Reanarom | Accounting Manager |
| 8. Mrs. Savitri Jaiprasong | Financial Manager |

Scope, Authority, Duties and Responsibilities of the Chief Executive Officer

1. Determine goals, vision, mission, policy, business plans, business directions and strategies, and annual budget, business expansion plans, investment plans, and the Company's financial plans. They are to be submitted to the Executive Committee for endorsement and onward submission to the Board of Directors for approval. Report on the progress of implementation of the abovementioned business plans to the Executive Committee and the Board of Directors.
2. Oversee and manage business, and ordinary business conducts for the benefit of the Company and its affiliates, in line with the policy, business strategies, plans, and specified targets, and budget as endorsed and approved by the Board of Directors and/or the shareholders' meeting.
3. Supervise the overall management of finance, marketing, human resource and other operations, in order to be in line with the objectives, policy and business plans of the Company and its affiliates, as endorsed and approved by the Board of Directors and/or the shareholders' meeting.
4. Monitor, inspect, and control the performance of the Company and its affiliates to maintain good performance according to the targets. Report the work to the Executive Committee and the Board of Directors regularly. Find ways to improve and develop the performance further for sustainable growth.
5. Set up systems of accurate, comprehensive, and timely financial reporting and disclosure of financial information, with appropriate internal control system. Regularly report to the Board of Directors, and/or a committee that has been assigned by the Board of Directors to oversee the matter.

6. Control and supervise risk factors. Establish the Company's risk management system. CEO may appoint a risk management team to work on the risk management in a proper manner and as necessity. CEO and/or the risk management team need to report on the risk factors, approaches to manage such risks to the Audit Committee regularly, at least once every quarter.
7. Approve the operations, negotiations and contracts or any ordinary transactions that support normal business operations of the Company and its affiliates, within the financial limit of not more than the budget approved by the Board of Directors.
8. Ensure that the Company's transactions are in line with the law and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, including regulations on related party transactions and acquisition and disposition of assets, as well as the Company's regulations, which had been approved by the Board of Directors.
9. Order, issue regulations, criteria, announcement, and internal memorandum for the operations of the Company and its affiliates to be in line with the Company's policy and interests, as well as to maintain good order within the Company. Ensure good corporate governance within the Company and compliance with the relevant laws, business ethics, and anti-corruption policy.
10. Explore opportunities to invest in new projects by conduct proper and comprehensive technical and financial studies to help with the decision-making process. Submit the results of the studies to the executive committee or the Board of Directors for approval (depending on the case), as specified in the Company's Schedule of Authority.
11. Mandated to assign, appoint, dismiss, prescribe, promote, demote, suspend salary or wage, transfer, retire employees who are not deemed executives according to the definition provided by the Securities and Exchange Commission or the Capital Market Supervisory Board. The assignment, appointment, dismissal, prescription, promotion, demotion, suspension of salary or wage, transfer and retirement of executives need to have endorsement from the Executive Committee.
12. Approve the appointment of consultants necessary for the work of the Company its affiliates.
13. Represent the Company in communicating and maintaining good relations with the public, shareholders, customers, and stakeholders.
14. Support the Board of Directors in the provision of channels to communicate with shareholders in an appropriate and regular manner. Disclosure of information is conducted with high standard and transparency.
15. Sub-delegate and/or assign individuals or groups of individuals to work on behalf of CEO within the scope of power determined in the Company's Power of Attorney and/or rules, regulations or decisions of the Board of Directors and/or various other committees.
The delegation of power, duties and responsibilities of CEO or the authorized working on behalf of CEO must not enable CEO or the authorized to approve transactions where they may be in conflict (as defined by the announcement of the Capital Market Supervisory Board, and/or the Stock Exchange of Thailand, and/or a relevant agency), have stake in or be beneficial in anyway or be in conflict of interest with the Company or subsidiaries. Exceptions are when such transaction is in accordance with the policy and rules approved by the shareholders' meeting or the Board of Directors, and such transaction is in accordance with normal business practices, in accordance with the announcement of the Securities and Exchange Commission, and/or the Capital Market Supervisory Board, and/or the Stock Exchange of Thailand, and/or a relevant agency.
16. Carry out any other duties as assigned by the Board of Directors and/or other committees.

In the selection of CEO, the Executive Committee scrutinizes individuals who are knowledgeable, capable, and qualified to become CEO. Then the Executive Committee is to submit the nomination to the Board of Directors for approval. This is in line with the mandate given by the Company.

7.5 Employees

7.5.1 Total Number of Employees

The table shows the number of employees in each department (not including executives as defined by the Securities and Exchange Commission) as of 31 December 2021.

Department	Number of Employees (person)	
	As of 31 December 2021	
	Full-time	Temporary
1. Plant Operations	293	187
2. Sales and Marketing	89	-
3. Accounting, Finance, and Credit Control	36	-
4. Research and Development	76	28
5. Sales and Marketing Information	11	-
6. Purchasing	12	-
7. Human Resources	8	2
8. Administration	16	3
9. Quality Management System	9	-
10. Livestock Feed Business	8	-
11. Environment, Health and Safety	8	-
12. Planning and Information Technology	10	-
13. Internal Audit	4	-
14. Executive Support	2	-
Total	582	220

This can be Separated by Gender as Follow:



7.5.2 Key Changes to the Number of Employees in the last 3 years

As of 31 December 2019, 2020, and 2021, the Company had 749, 794, and 802 employees respectively. The Company has seen no significant changes in the number of employees in the last three years. There has been slight increase of the number of employees over time, which reflects the expanding business.

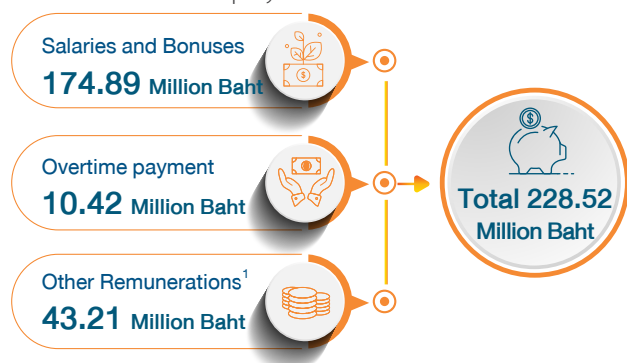
7.5.3 Key Labor Dispute in the Last 3 Years

The Company has not had key labor dispute in the last 3 years.



7.5.4 Employees' Remunerations

In 2021, the Company and its subsidiaries paid the following remunerations to employees.



Remarks:

¹ Other remunerations may include provident funds, social security payments, and other welfare remunerations such as grants, diligence allowance, and profession allowance.

7.5.5 Provident Funds

The Company and its subsidiaries have assigned TISCO Asset Management Company Limited to manage the Company's and subsidiaries' provident funds under the name TISCO Master Pooled Fund 2. The fund was registered on 1 March 2008. There are 533 employees out of 595 employees joining provident fund, representing 89.85%.

7.6 Other Important Information

7.6.1 Names of the assigned Supervisor for Accounting, the Company Secretary, Head of Internal Audit, and Head of Compliance

Assigned Supervisor

for Accounting : Ms. Kanthima Reanarom

Company Secretary : Mr. Sukson Wongchuwong

Head of Internal Audit : Mr. Thanyatpeth Thiwakornsakul

Head of Compliance : Mr. Sukson Wongchuwong

7.6.2 Name of the Head of Investor Relations and Contact Details

Head of Investor Relations and Contact Details : Mr. Sukson Wongchuwong No. 89/1 Moo 2 Rama 2 Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000 Tel.: 034-417-222 Fax.: 034-417-255.

7.6.3 Remunerations for the External Auditor

(1) Audit Fee

For the accounting year ending 31 December 2021, the Company paid remunerations as an audit fee to PricewaterhouseCoopers ABAS Limited ("PwC") totaling THB 2,760,897.55 consisting of the fee for quarterly reviewing of financial statements and annual auditing fee totaling THB 2,300,000. Moreover, there were Out of Pocket Expenses of THB 140,601.05.

(2) Non-audit Fee

For the accounting year ending 31 December 2021, the Company paid Non-Audit Fee to PwC consisting of service fee to verify projects receiving BOI's investment promotion certificates totaling THB 300,000 and Out of Pocket Expenses of THB 20,296.50.

In 2021, Subsidiaries Paid the Following Remunerations for the Auditor

Subsidiary	Audit Fee		Non-audit Fee	
	Amount	Detail	Amount	Detail
TUKL	IDR 32.0 million (excluding other expenses)	Audit fee paid to PKF Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan dan Rekan ("PKF")	IDR 36.0 million	Service fee on tax consulting paid to ARIEF & HANDRIONO ("Tax unit of PKF")
AMG-TFM	PKR 0.8 million (excluding other expenses)	Audit fee paid to Baker Tilly Mehmood Idrees Qamar	- none -	- none -

Report on Key Operating Results

Related to Corporate Governance

8.1 Summary of Duty Performance of the Board of Directors in 2021

8.1.1 Selection, Development and Evaluation of Duty Performance of the Board of Directors.

Nomination and Appointment of Directors

The Company selects and nominates individuals who are qualified in terms of experience, knowledge, and ability that are beneficial to the Company. They are to be nominated as directors, independent directors or members of the Audit Committee. The list of individuals will then be submitted to the Board of Directors and/or the shareholders' meeting (if any) for nomination according to the Company's Articles of Association, law or relevant regulation.

To recruit a new director, the Company takes into consideration the composition of the Board of Directors needs to be diverse in terms of skills, experience, gender, and specific capabilities that are beneficial to the Company and in line with the Company's business strategies.

Self-assessment of the Board of Directors and Sub-committees

In order to improve the efficiency of operations, the Company has established the assessment procedure for the Board of Directors, and sub-committees. The assessment is divided into two parts, collective and individual assessments which are done at least once a year. The assessment of performance for the Audit Committee and the Executive Committee is in line with the assessment arrangements for the Board of Directors. The criteria of assessment for the Board of Directors

and all sub-committees are in conformity. They are also in line with the sample assessment of the Board of the Stock Exchange of Thailand. Such assessments are subject to review to ensure that they are appropriate with the nature and structure of the Company's Board of Directors.

With regard to the procedure of assessment, the Company Secretary and secretaries of the sub-committees send assessment forms to members of the Board and Committees and sub-committees. Once filled, the forms will be returned to the Company and will remain anonymous. The results of the assessment will then be presented to meeting of the Board of Directors and sub-committees to collectively consider the results and discuss ways to improve the work.

A self-assessment form for collective assessment of the Board of Directors is divided into four sections namely; (1) structure and qualifications of the Board of Directors; (2) meetings of the Board of Directors; (3) roles, duties and responsibilities of the Board of Directors; (4) others. As for the individual assessment, the criteria are divided into 3 sections namely; (1) structure and qualifications of the Board of Directors; (2) meetings of the Board of Directors; and (3) roles, duties, and responsibilities of the Board of Directors. The scores are on the scale of 0-4 from strongly disagree to strongly agree.

Results of the self-assessment of the Board of Directors and sub-committees in 2021 had the average scores as follows:

	Collective Assessment	Individual Assessment
Board of Directors	3.89	3.98
Audit Committee	3.96	4.00
Executive Committee	3.87	3.98

Nurturing Directors and the Executives

Knowledge and Understanding of Being Director

The Company prescribes an orientation for every new director. Relevant documents and information including those on the nature of business and the Company's business approach are provided. The Company Secretary is designated as the person who guides a new director to be aware of his/her duties and

responsibilities. The management will provide advice on the nature of business and the Company's business approach.

All current directors have been through orientation and trainings related to the work of the directors. In 2021, the following directors attended courses that are beneficial to the performance of the Board of Directors.

Director	Training in 2021
1. Mr. Cheng Niruttinanon	Director Accreditation Program (DAP) Class 187/2021 by the Thai Institute of Directors
2. Mrs. Morakot Kullathamyothin	Advanced Audit Committee Program (AACP) Class 42/2021 by the Thai Institute of Directors

Succession and the Development of the Executives

- 1) The Board of Directors prescribes that the executives are responsible for the planning of development and succession to prepare for business continuity should high-ranking executives become incapacitated.
- 2) The human resource strategy division is to coordinate the succession plan by holding meetings between executives of the key departments in the organization and the highest executives of the human resource department to enhance business potentials and reduce risks to business continuity.
- 3) The Board of Directors supports annual projects to develop executives by providing support and facilitate

trainings to directors, members of the audit committee, the executives, the Company Secretary as well as other high-ranking executives on the principles of good governance, the conduct of duty, and other improvements to continuously improve work efficiency.

8.1.2 Meeting Attendance and Remunerations for Individual Directors

Meeting Attendance

Details on the meeting attendance of each director in 2021 are shown in the following table:



To recruit a new director, the Company takes into consideration the composition of the Board of Directors which needs to be diverse in terms of skills, experience, gender, and **specific capabilities that are beneficial to the Company.**



Full Name	Position	Meeting	
		Board of Directors	Audit Committee
1. Mr. Rittirong Boonmechote	Chairman of the Board	5/5	
2. Mr. Thiraphong Chansiri	Director	5/5	
3. Mr. Cheng Niruttinanon	Director	4/5	
4. Mr. Bunluesak Sorajjakit	Director	5/5	
5. Mr. Chan Shue Chung	Director	5/5	
6. Mr. Kanit Vallayapet ¹	Director	5/5	
7. Mrs. Rachadaporn Rajchataewindra	Independent Director / Chairman of the Audit Committee	5/5	5/5
8. Dr. Somchai Thaisanguanvorakul	Independent Director / Member of the Audit Committee	5/5	5/5
9. Mrs. Morragot Kulatumyotin	Independent Director / Member of the Audit Committee	5/5	5/5

Remark:

¹ The Board of Directors' Meeting No. 1/2021 dated on 11 February 2021 approved the appointment of Mr. Kanit Vallayapet as a director replacing the former director who had resigned. Mr. Kanit Vallayapet attended the the Board of Directors Meeting on 11 February 2021 after the said approval.

Remuneration of Directors and the Executives

The Company determines remunerations for directors in a clear and transparent manner, in line with their roles, duties and responsibilities. Such remunerations have been considered carefully based on the highest utility to the Company. Details are as follows:

1. Monetary Remunerations

1.1 Remunerations for Directors

Every year, the Company determines remunerations for directors. Following that, the proposals are approved by a shareholders' meeting. At the 2021 Annual General Meeting of Shareholders on 1 April 2021, the remunerations for directors for the year 2021 which included monthly retainers and meeting allowances were approved with details as follows:

Director	Monthly Retainer (THB/Person)	Meeting Allowance (THB/Meeting/Person) (Only for Directors who Attended the Meeting)
1. Board of Directors		
- Chairman	25,000	15,000
- Director	20,000	10,000
2. Audit Committee		
- Chairman	20,000	- none -
- Member	15,000	- none -
3. Executive Committee		
- Chairman	- none -	- none -
- Member	- none -	- none -

Remark: No other benefits given to the directors and committee members apart from monthly retainers and meeting allowances.

Annual Bonuses : The Company does not prescribe remunerations in the form of bonuses for directors. However, for directors who are executives, they will receive bonuses for their positions as executives of the Company in line with the latter's annual performance.

Table Detailing Annual Remunerations of the Board of Directors for the Year Ending on 31 December 2021

Full Name	Position	From 1 January – 31 December 2021 (THB)		
		Director	Audit Committee Member	Total Amount
1. Mr. Rittirong Boonmechote	Chairman of the Board of Directors	375,000	-	375,000
2. Mr. Thiraphong Chansiri	Director	290,000	-	290,000
3. Mr. Cheng Niruttinanon	Director	280,000	-	280,000
4. Mr. Bunluesak Sorajjakit	Director	290,000	-	290,000
5. Mr. Chan Shue Chung	Director	290,000	-	290,000
6. Mr. Kanit Vallayapet ¹	Director	262,857	-	262,857
7. Mrs. Rachadaporn Rajchataewindra	Independent Director / Chairman of the Audit Committee	290,000	240,000	530,000
8. Dr. Somchai Thaisanguanvorakul	Independent Director / Member of the Audit Committee	290,000	180,000	470,000
9. Mrs. Morragot Kulatumyotin	Independent Director / Member of the Audit Committee	290,000	180,000	470,000
Total		2,657,857	600,000	3,257,857

Remark:

¹ The Board of Directors' Meeting No. 1/2021 dated on 11 February 2021 approved the appointment of Mr. Kanit Vallayapet as a director replacing the former director who had resigned. Hence, Mr. Kanit did not receive full remuneration for the month of February.

The Company does not provide remunerations for members of the Executive Committee.

1.2 Remunerations for the Executives

In 2021, the Company paid remunerations for 6 executives based on their executive position (not including remunerations that the executives receive from being directors). The remunerations include salaries and bonuses totaling THB 18.62 million.

2. Other Remunerations

For the accounting year that ended on 31 December 2021, the Company paid other remunerations for executives consisting of payment of provident fund and payment for social security fund totaling THB 1,298,762. Moreover, the Company provides other non-monetary remunerations for executives such as company cars, fleet cards (fuel), and mobile phone payments.

Policy and Procedures on the Determination of Remunerations and Remuneration Structure of Directors and Executives

The Board of Directors determines structure and remuneration rates in accordance with the responsibilities of directors. They provide incentives for the directors to lead the Company to achieve targets in both short and long terms. Remunerations of directors are comparable to the levels paid in other companies of the same industry. Other factors that are considered include scope of work, roles, responsibilities, experience, accountability and responsibility as well as benefits to the Company from each director. Directors with added duties and responsibilities (such as members of various committees) are given additional remunerations as appropriate. The structure and remunerations are approved by shareholders both in terms of monetary and non-monetary remunerations. The Board of Directors has a duty to determine appropriate

remunerations which include the fixed remunerations (regular remunerations, meeting allowances) and performance-based remunerations (such as bonuses, and rewards). Such determination must be linked to the value the Company has created for shareholders and in line with the practice of other companies in the same industry. The remunerations must not be too high which will make the Company too focused on short-term performance. The Company discloses the policy and criteria for the determination of remuneration of directors, both in terms of the format and the amount of remunerations in accordance with the relevant law and announcements.

8.1.3 Corporate Governance for Subsidiaries and Associates

The Company has a policy on corporate governance for subsidiaries, joint ventures, and associates with the objective of specifying measures and mechanisms to manage and monitor their operations and compliance with the Company's policy, as if they are part and parcel of the Company. They are to conform to the civil and commercial code, bodies of law related to public companies, securities, and relevant laws, announcements, rules, and regulations of the Thai Capital Market Supervisory Board, Securities and Exchange Commission, and the Stock Exchange of Thailand. This is to ensure the interests of the Company as it invests in subsidiaries, joint ventures and associates.

The Company came up with the policy on nomination and the right to vote must be approved by the Board of Directors. The person who is appointed as a director in a subsidiary or an associate has a duty to work for the best interest of such subsidiary or an associate (not the Company). The appointment of a director must be approved by the Board of Directors before voting in any matter of the same level of importance as the one that needs approval from the Board of Directors should it fall within the Company's jurisdiction. The number of directors representing the Company in a subsidiary or an associate is in line with the proportion of shares held by the Company.

Last year, the Company sent 4 executives to be directors in AMG-TFM which is a subsidiary of the Company in Pakistan. Those executives were approved by the Board of Directors. Once the aforementioned executives are no longer directors in AMG-TFM, the Board of Directors will consider sending personnel to look after the Company's interests on a case-by-case basis.

8.1.4 Monitoring to Ensure Compliance to the Policy and Guidelines on Corporate Governance

The Company is aware of the importance of good governance and is confident that good governance, together with visionary and responsible Board of Directors and executives, mechanism to control and balance powers to ensure transparent and accountable management of the operations, respect for shareholders' equality, and responsibility to stakeholders are important factors to add values and highest returns to the Company's shareholders in the long term. In 2021, the Company fully complied with the good governance principles in preparation for the listing in the Stock Exchange of Thailand. The Company could prepare financial statements both quarterly and annually within the timeframes stipulated in Section 56 of the Securities and Exchange Act even though the Company had not been under the jurisdiction of such law before. After the listing in the Stock Exchange of Thailand, the Company could still keep the record and has had no history of late submission of financial statements.

The Company has not conducted any offense or any breach of the law, the Public Limited Companies Act, and relevant rules and regulations of the regulators such as the Securities and Exchange Commission and the Stock Exchange of Thailand. Directors, executives and relevant personnel have not been involved in the conduct of breaches of the criteria for inter-company transactions.

8.1.4.1 Prevention of Conflict of Interests

The policy on the prevention of conflict of interests determines that directors, executives, and employees are not to pursue personal interests that conflict with the Company's interests. Business operations must be for the highest interests of the Company. Should there be any conflict, any person involved or with stakes in the transactions in question must inform the Company of the relationship or their stakes in such transactions. The person must not be involved in the consideration and not given the authority to approve such transactions.

In 2021, there was no incident that any director, executive or employee was in breach of that policy.

8.1.4.2 Use of Insider Information to Seek Benefits

The Company supervises the use of internal information in compliance with the law and the principles of good governance. This has been stipulated in writing in the Company's



Code of Conduct and the Policy on the Use of Internal Information. Key points are as follows:

1. Directors, members of the executive committee, executives, and executive personnel in the fields of accounting or finance who are at the level of manager and above, as well as their spouses or those who cohabit, and underage children, as well as the juristic persons that the directors, members of the executive committee, and executives, spouses or those who cohabit, and underage children of the said directors and executives hold total shares of more than 30 percent of all voting rights of those juristic persons, produce and disclose their holdings of securities or stocks, changes of holdings, and the receipt or sales of securities or stocks of the Company to the Securities and Exchange Commission in accordance with the prescriptions in the Securities and Exchange Act immediately within 3 days from the date of transactions, transfer or receipt of transfer of the Company's securities. A copy of this report must be submitted to the Company on the same day that the report is submitted to the Securities and Exchange Commission.
2. Directors, members of the Executive Committee, and executives as well as those in the executive positions in the field of accounting or finance at the level of department manager and above, and related employees which include those who are suspected of knowing internal information regarding financial statements, financial status, or the Company's performance as well as other substantive internal information that may influence stock prices must suspend from transactions and are forbidden to persuade others to buy or sell the Company's securities directly and indirectly in the period before the publicization of financial statements or information related to financial status or the status of the Company and/or other substantive internal information at least 1 month before the publicization.

In 2021, directors and executives were not found to conduct securities/stock transactions using the abovementioned internal information.

8.1.4.3 Anti-corruption

The Company does not accept or support corruption in all forms and cases. It strictly complies with anti-corruption measures and sets up the structure of responsible personnel as well as the risk management system, internal control and internal audit to prevent and suppress corruption within the organization in a strict manner to prevent and/or deal with corruption in all forms. To ensure compliance, the Company conducts reviews of practices and practical procedures regularly. This is also to ensure that the Company's practices are in line with changes to the law, and business, and to maintain the conduct of business that is based on righteousness and fairness. Directors, executives, and all employees must comply with this policy and communicate this policy to external stakeholders to prevent risks of corruption.

The Company has conducted the following in compliance with the anti-corruption policy:

1. The Company has communicated to directors, executives and employees to ensure that all undertakings are within the boundaries of the law. Should there be any mistake in the operation arising from negligence and ignorance, the person shall receive punishment. Any attempt of lobbying is not allowed.
2. The Company has provided channels of reporting should there is any breach of policy or an act of corruption, with protective measures for whistleblowers in place.

The Company reveals its anti-corruption policy on the Company's website at www.thaiunionfeedmill.com under the section "Corporate Governance".

8.1.4.4 Whistleblowing

The Company has provided easy-to-access channels for whistleblowing and complaints through email, website, and telephone. In the past year, there was no whistleblowing or complaint related to corruption.

8.2 Report on the Results of Duty Performance of the Audit Committee in the Past Year

Members of the Audit Committee and their Meeting Attendance in 2021.

Full Name	Position	Status	Meeting Attendance
1. Mrs. Rachadaporn Rajchataewindra	Chairman	Independent Director	5/5 (100%)
2. Dr. Somchai Thaisanguanvorakul	Member	Independent Director	5/5 (100%)
3. Mrs. Morragot Kulatumyotin	Member	Independent Director	5/5 (100%)

Performance of the Audit Committee

Key activities undertaken by the audit committee in 2021 under the scope of duties and responsibilities tasked by the Board of Directors can be summarized as follows:

- The Committee reviewed the 2021 quarterly and annual financial statements of Thai Union Feedmill Public Company Limited as well as the consolidated financial statements of Thai Union Feedmill Public Company Limited and its subsidiaries. The statements were prepared according to the Thai Financial Reporting Standards (TFRS) which is in line with the International Financial Reporting Standards (IFRS) and the disclosure of information in the notes to financial statements.
- The Committee reviewed the Company's policy and practices on good corporate governance including the compliance with the Code of Conduct and the application of anti-corruption policy in business operations as appropriate. This was to ensure compliance with the principles of good corporate governance prescribed by the Stock Exchange of Thailand. The Committee also reviewed the compliance with the bodies of law related to securities and the Stock Exchange of Thailand, and those related to the Company's business.
- The Committee reviewed inter-company transactions and transactions that may amount to conflict of interests, reports of related committees, and disclosed information to the Stock Exchange of Thailand in an accurate and timely manner.
- The Committee reviewed the independence and performance of the audit and opinions of the external auditor, and nominated the Company's auditor as well as the audit fee to the Board of Directors for further submission to the shareholders' meeting.
- The Committee met with the external auditor without the presence of the management to discuss about the audit plans, freedom of execution, sufficiency of the internal audit system, risk management, and cooperation from supervisors and employees in each department being audited.
- The Committee reviewed the independence of the internal audit and its performance as well as the sufficiency and appropriateness of the internal control system where the internal audit had already finished during the year according to the audit plan approved by the Audit Committee.
- The Committee reviewed and discussed the result of the assessment on sufficiency of the internal control system based on the evaluation form on the sufficiency of internal control system provided by the Securities and Exchange Commission (SEC). The Committee also scrutinized the reports from internal audit and IT audit, as well as observations about the internal control system of the external auditor.
- The Committee reviewed risks and risk monitoring on a quarterly basis, taking into consideration internal and external risk factors that could impact the Company and managing them to an acceptable level. The key risk indicators have also been reviewed, as prescribed.
- The Committee conducted annual reviews of the Audit Committee Charter and the Internal Audit Charter to be in line with the current situations and relevant laws, as well as the self-assessment of the Audit Committee both collective and individual assessments.

From the reviews, the Audit Committee was of the view that the Company and its subsidiaries have established and maintained the internal control system that was appropriate and effective. The financial statements of the Company were reliable and key issues were accurate. Transactions that may amount to conflicts of interest were reasonable. The Committee did not find any breach or non-compliance with the laws in key issues. In terms of execution of the assigned tasks, the Audit Committee could work independently and freely.

Details of the undertakings of the Audit Committee are in the Report of the Audit Committee in attachment 5.

Internal Control and Related Party Transactions

9.1 Internal Control

9.1.1 Sufficiency and Appropriateness of the Company's Internal Control System

The Board of Directors is fully aware that having a good internal control system is important. The Board thus deems it important to ensure that the Company has in place sufficient and appropriate internal control system which allows it to operate in accordance with its goals, objectives, relevant laws and regulations in an efficient manner. The system should be able to protect assets from corruption, damage and facilitate accurate and credible accounting and financial reporting. Information needs to be disclosed in a complete, sufficient and timely manner.

The 3/2021 Meeting of the Board of Directors on 25 May 2021, with the presence of the Audit Committee, considered and evaluated the sufficiency of the Company's internal control system using the evaluation form on the sufficiency of internal control system provided by the Securities and Exchange Commission (SEC) and information gathered from the Company's management by the Company's Audit Committee, and taking reference from the Company's overall internal audit report prepared by the internal audit unit of the Thai Union Group Public Company Limited. The Board considered five aspects of the Company's internal control system in line with the Committee of Sponsoring Organizations of Treadway Commission ("COSO") namely (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information and Communication and (5) Monitoring Activities.

The Board was of the view that the Company possessed all five aspects of the internal control system in accordance with COSO principles. Overall, the five aspects are complete and considered to be good, sufficient and appropriate for the Company's size and current circumstances. With regards to the management's operation control, the Company's policies, measures and procedures of operations cover the control of transactions with major shareholders, directors, executives or those related to the mentioned personnel

to prevent any conflict of interest and to safeguard the Company's core interests. The Board also approved the evaluation form on the sufficiency of the Company's internal control system.

The Company's Internal Audit unit conducted the evaluation on the sufficiency of the Company's internal control system again in December 2021. Overall, the Company's internal control system was good, sufficient and appropriate. This will be presented to the Audit Committee and the Company's Board of Directors by the first quarter of 2022.

9.1.2 Opinion of the Audit Committee that was Different from the Opinion of the Board of Directors

The Audit Committee jointly considered the evaluation form on the sufficiency of the Company's internal control system with the Board of Directors and had no opinion that was different from the opinion of the Board of Directors.

9.1.3 Opinion of the Audit Committee on the Personnel Responsible for Internal Audit

The Audit Committee considered the qualifications of the Manager for Internal Audit including his educational background, work experience and previous performance in the Company from 1 March 2019 to end of 2021 as Head of Internal Audit. The Audit Committee found that Manager of Internal Audit has appropriate educational background, proper qualifications and adequate training experience and sufficient to be a person supervising the internal audit work.

9.1.4 Approval of the Guidelines on Appointment, Dismissal and Transfer of Head of Internal Audit

The Guidelines on Appointment, Dismissal and Transfer of Head of Internal Audit needs to be approved by the Chief Executive Officer with decision taken based on the assessment and opinions of the Audit Committee.

9.1.5 The Company's Internal Audit

The Company's internal audit plan for 2021 was approved by the Audit Committee. This was to ensure that the Company had in place sufficient and effective risk management and internal control systems as well as compliance with relevant laws, rules and regulations in a complete and accurate manner in line with the TU Group. The Company assigned IATU to assess the Company's internal control system and work

with the Company's internal audit (IATFM) with Mr. Peach Kaewmanee as Manager of Internal Audit. The assessment plan covered work systems that the Company regarded as important. The plan considered risk assessment of work systems (risk-based approach). Work systems that were considered high risk and important to the Company's operations were to be audited first. The outcome of internal audit in 2021 can be summarized as follows:

No.	Audit Session	Area of Audit	Auditor
1	1 st Quarter of 2021	System of Raw Material Procurement and Payment	IATU
2		System of General Procurement and Payment	
3		System of Raw Material Management	
4		System of Finished Product Management	
5		System of Control and Monitor of Project Works	
6	2 nd Quarter of 2021	Information Technology System, Application System and Preparation in accordance with the Personal Data Protection Act B.E. 2562 (2019)	IATU
7		System of Fixed Assets Management	IATFM
8	3 rd Quarter of 2021	System of Production and Production Planning	IATU
9	4 th Quarter of 2021	System of Product Sales (Domestic and International)	IATU
10		System of Payment Collection and Debt Collection	
11		System of Cost Calculation and Management	
12		Review of the Sufficiency of Internal Control System in accordance with the Evaluation Form provided by the Securities and Exchange Commission (SEC)	IATFM

IATU and IATFM issue the audit reports on the assessment and hold meetings with the management and the audited parties as well as report to the Audit Committee meetings regularly. The Company has been made aware of the issues and it has been working to resolve continuously. Regular monitoring of IATU and IATFM found that the Company had resolved all issues and reported to the Audit Committee meeting. In this regard, The Company's internal audit will plan for next rounds of annual audit in the month of December.

9.1.6 Head of the Internal Audit

The Company has determined the internal audit to be directly under the Audit Committee to supervise the work on internal audit in an independent, efficient and effective manner. The 3/2021 Meeting of the Audit Committee on 25 May 2021 approved the appointment of Mr. Peach Kaewmanee,

Manager of Internal Audit as the Head of Internal Audit of the Company, given his appropriate qualifications in terms of education and training experience. The Company also appointed IATU to audit and assess the internal control systems of the Company together with the Company's internal audit unit and report directly to the Audit Committee. Details of the background and experience of the Head of Internal Audit can be found in Annex 3.

The Audit Committee is responsible for the selection of Head of Internal Audit, taking into consideration the qualifications, performance and experience. The Head of Internal Audit is subject to annual performance assessment. The transfer and dismissal of a Head of Internal Audit needs to be approved by the Chief Executive Officer with decision taken based on the assessment and opinions of the Audit Committee.

9.1.7 Observations of the Auditor

PricewaterhouseCoopers ABAS Limited, the Company's auditor, has audited the financial statements for the accounting year ending on 31 December 2021. The auditor assessed the risks of material misstatement, whether due to fraud or error. During such risk assessment, the auditor studied and assessed the effectiveness of the Company's internal control system related to the preparation and presentation of financial statements to design audit method that was appropriate to the circumstance, as well as tested the control measures to obtain audit evidence related to the effectiveness of the implementation of control measures. The chosen audit procedure depended on the discretion of the auditor. The

abovementioned assessment and test were in line with the auditing standards. The objective was to allow the auditor to provide opinions on the financial statements. It was not for the auditor to provide comments on the effectiveness of the Company's internal control.

The auditor did not find any substantive deficiencies from the assessment and test of internal control related to the auditing of financial statements and the auditor did not issue any observation on internal control system for 2021. The auditor reported the outcome to an Audit Committee meeting in the first quarter of 2022.

9.2 Related Party Transactions

9.2.1 Details of Entities that may be in Conflict of Interest and their Relations as of 31 December 2021

Entity that may be in Conflict of Interest and Nature of Business	Relations as of 31 December 2021
1. Thai Union Group Public Company Limited (TU) - manufacturer and exporter of frozen and canned food	<ul style="list-style-type: none"> TU is a Company's shareholder, with direct shareholding of 51.0 percent of the Company's registered and paid-up capital. Common shareholders are Mr. Rittirong Boonmechote, a director with direct shareholding of 14.4 percent in the Company, and with direct shareholding of 1.3 percent of the registered and paid-up capital of TU. Common directors are: <ol style="list-style-type: none"> Mr. Thiraphong Chansiri ("Mr. Thiraphong") Mr. Rittirong Boonmechote ("Mr. Rittirong") Mr. Cheng Niruttinanon ("Mr. Cheng") and Mr. Chan Shue Chung
2. Okeanos Food Co., Ltd. (OKF) - manufacturer and exporter of frozen and canned food	<ul style="list-style-type: none"> TU is the common shareholder, with direct shareholding of 51.0 percent of the Company's registered and paid-up capital. TU is an indirect shareholder of OKF in the proportion of 99.7 percent of OKF's registered and paid-up capital (through Pakfood Plc. (PPC) which is a subsidiary that TU holds share in the proportion of 99.7 percent of the registered and paid-up capital. PPC holds 100 percent share of OKF's registered and paid-up capital.) Common directors are: <ol style="list-style-type: none"> Mr. Thiraphong Mr. Rittirong
3. Thai Union Seafood Co., Ltd. (TUS) - Manufacturer and exporter of frozen and canned food.	<ul style="list-style-type: none"> Common Shareholders are: <ol style="list-style-type: none"> TU, with direct shareholding of 51.0 percent of the Company's registered and paid-up capital. TU also has direct shareholding of 51.0 percent of TUS's registered and paid-up capital; and Mr. Rittirong, who is a director and a direct shareholder of the Company, has direct shareholding in TUS in the proportion of 22.6 percent of the registered and paid-up capital. Common directors are: <ol style="list-style-type: none"> Mr. Thiraphong Mr. Rittirong Mr. Chan Shue Chung

Entity that may be in Conflict of Interest and Nature of Business	Relations as of 31 December 2021
4. Avanti Feeds Limited (AVANTI) - Manufacturer and distributor of aquaculture feeds in India	<ul style="list-style-type: none"> TU is the common shareholder. TU has direct shareholding of 51.0 percent of the Company's registered and paid-up capital. TU holds both direct and indirect shareholding in AVANTI in the proportion of 24.2 percent of the registered and paid-up capital. The common director is Mr. Bunluesak
5. TMAC Co., Ltd. (TMAC) - Investment in breeding farms and shrimp breeding	<ul style="list-style-type: none"> TU is the common shareholder. TU has direct shareholding of 51.0 percent of the Company's registered and paid-up capital. TU holds direct shareholding in TMAC in the proportion of 100.0 percent of the registered and paid-up capital. Common directors are: <ol style="list-style-type: none"> Mr. Rittirong Mr. Bunluesak
6. TMK Farm Co., Ltd. (TMK) - Breeding farm and shrimp breeding	<ul style="list-style-type: none"> TU is the common shareholder. TU has direct shareholding of 51.0 percent of the Company's registered and paid-up capital. TU holds indirect shareholding in TMK in the proportion of 94.4 of the registered and paid-up capital (through TMAC which is a subsidiary that TU holds share in the proportion of 100.0 percent of the registered and paid-up capital. TMAC holds 94.4 percent share of TMK's registered and paid-up capital.) Common directors are: <ol style="list-style-type: none"> Mr. Rittirong Mr. Bunluesak
7. TCM Fishery Co., Ltd. (TCM) - Breeding farm and shrimp breeding	<ul style="list-style-type: none"> TU is the common shareholder. TU has direct shareholding of 51.0 percent of the Company's registered and paid-up capital. TU holds indirect shareholding in TCM in the proportion of 75.0 percent of the registered and paid-up capital (through TMAC which is a subsidiary that TU holds shares in the proportion of 100.0 percent of the registered and paid-up capital. TMAC holds 75.0 percent share of TCM's registered and paid-up capital.) Mr. Bunluesak, who a director and an executive of the Company, also holds shares in TCM in the proportion of 5.0 percent of the registered and paid-up capital. Common directors are: <ol style="list-style-type: none"> Mr. Rittirong Mr. Bunluesak
8. Thai Union Hatchery Co., Ltd. (TUH) - Shrimp breeding and shrimp nursery	<ul style="list-style-type: none"> TU is the common shareholder. TU has direct shareholding of 51.0 percent of the Company's registered and paid-up capital. TU holds indirect shareholding in TUH in the proportion of 100.0 percent of the registered and paid-up capital (through TMAC which is a subsidiary that TU holds shares in the proportion of 100.0 percent of the registered and paid-up capital. TMAC holds 100.0 percent share of TUH's registered and paid-up capital.) Common directors are: <ol style="list-style-type: none"> Mr. Rittirong Mr. Bunluesak
9. Jana Fish Industries Co., Ltd. (Jana) - Manufacturer of fish meal which is used as animal feeds	<ul style="list-style-type: none"> Mr. Cheng, who is a director of the Company, holds shares in Jana in the proportion of 35.0 percent of the registered and paid-up capital. The common director is Mr. Cheng

Entity that may be in Conflict of Interest and Nature of Business	Relations as of 31 December 2021
10. T.C. Union Agrotech Co., Ltd. (TC Union) - Manufacturer of fish meal which is used as animal feed	<ul style="list-style-type: none"> Mr. Cheng, who is a director of the Company, holds shares in TC Union in the proportion of 34.8 percent of the registered and paid-up capital. The common director is Mr. Cheng.
11. SPF Diana (Thailand) Co., Ltd. (SPF) - Manufacturer of fish meal which is used as animal feed	<ul style="list-style-type: none"> Mr. Cheng, who is a director of the Company, holds indirect shares in SPF in the proportion of 17.1 percent of the registered and paid-up capital (through TC Union which is a company that Mr. Cheng holds shares in the proportion of 34.8 percent of the registered and paid-up capital. TC Union has direct shareholding in SPF in the proportion of 49.0 percent of the registered and paid-up capital.)
12. Biz Dimension Co., Ltd. ("BIZ") – e-Auction service provider	<ul style="list-style-type: none"> Mr. Thiraphong, who is a director of the Company and a major shareholder of TU, holds shares in TU in the proportion of 10.8¹ percent of the registered and paid-up capital. Mr. Thiraphong also has direct shareholding in BIZ in the proportion of 33.5 percent of the registered and paid-up capital. Mr. Cheng who is a director of the Company, also holds shares in BIZ in the proportion of 5.0 percent of the registered and paid-up capital. Common directors are: <ol style="list-style-type: none"> Mr. Thiraphong Mr. Chan Shue Chung
13. Asia-Pacific Risk Consultants (Thailand) Co., Ltd. ("APRC") - broker of non-life insurance	<ul style="list-style-type: none"> Mr. Chuan Tangchansiri, a director of TU which has direct shareholding in the Company in the proportion of 51.0 percent of registered and paid-up capital, is a director of APRC and holds shares in APRC in the proportion of 9.0 percent of the registered and paid-up capital.
14. Asia-Pacific Insurance Broker Co., Ltd. ("APRI") - broker of life insurance	<ul style="list-style-type: none"> Mr. Chuan Tangchansiri, a director of TU which has direct shareholding in the Company in the proportion of 51.0 percent of registered and paid-up capital, holds shares in APRI in the proportion of 9.0 percent of the registered and paid-up capital.
15. Thai Union Hi-tech Pearl Cultivation Co., Ltd. ("THPC") – pearl culture	<ul style="list-style-type: none"> Mr. Thiraphong, a director of the Company and a major shareholder of TU, holds shares in TU in the proportion of 10.8¹ percent of the registered and paid-up capital. TU has indirect shareholding in THPC totaling 15.6 percent of the registered and paid-up capital (through Chansiri Real Estate, a company where Mr. Thiraphong holds shares in the proportion of 32.8 percent of the registered and paid-up capital. Chansiri Real Estate has direct shareholding in THPC in the proportion of 47.3 percent of registered and paid-up capital.) The common director is Mr. Thiraphong.
16. Thai Union Manufacturing Co.,Ltd. ("TUM") Manufacturer and exporter of canned tuna and pet food	<ul style="list-style-type: none"> TU is the common shareholder. TU has direct shareholding of 51.0 percent of the Company's registered and paid-up capital. TU holds direct shareholding in TUM in the proportion of 99.7 percent of the registered and paid-up capital. Common directors are: <ol style="list-style-type: none"> Mr. Thiraphong Mr. Cheng
17. EHS Training and Services Co.,Ltd ("EHS") - Consultant on environment, health and safety	<ul style="list-style-type: none"> TU is the common shareholder. TU has direct shareholding of 51.0 percent of the Company's registered and paid-up capital. TU holds direct shareholding in EHS in the proportion of 100.0 percent of the registered and paid-up capital. The common director is Mr. Chan Shue Chung.

Entity that may be in Conflict of Interest and Nature of Business	Relations as of 31 December 2021
18. Chansiri Real Estate Co., Ltd.	<ul style="list-style-type: none"> Mr. Thiraphong, a director of the Company and a major shareholder of TU, holds shares in TU in the proportion of 10.8¹ percent of the registered and paid-up capital. Mr. Thiraphong holds shares in Chansiri Real Estate totaling 32.8 percent of the registered and paid-up capital. The common director is Mr. Thiraphong.
19. Mr. Bunluesak Sorajjakit (“ Mr. Bunluesak ”)	<ul style="list-style-type: none"> Chief Executive Officer.
20. Mrs. Savitri Jaiprasong (“ Mrs. Savitri ”)	<ul style="list-style-type: none"> Financial Manager.
21. Boonpetch Kasetpan (“ Boonpetch Kasetpan ”) - Distributor/retailer of animal feeds	<ul style="list-style-type: none"> Mr. Prayot Sorajjakit (“Mr. Prayot”) who is a younger brother of Mr. Bunluesak and/or Mrs. Sunanta (“Sunanta”) who is a spouse of Mr. Prayot, the owner and operator of the businesses.
22. Arnon Farm (“ Arnon Farm ”) - aquaculture	-
23. Wanchai Farm (“ Wanchai Farm ”) - aquaculture	-
24. Nong Pla Tapien Farm (“ Nong Pla Tapien Farm ”) - aquaculture	-
25. Chainarong Farm (“ Chainarong Farm ”) - aquaculture	-
26. Penroong Farm (“ Penroong Farm ”) - aquaculture	-
27. Mongkon Farm (“ Mongkon Farm ”) - aquaculture	-
28. Prayot Kan Kaset Co., Ltd. (“ Prayot Kan Kaset Co., Ltd. ”) - aquaculture (Together with other companies of Mr. Prayot and Mrs. Sunanta, they are collectively called “ Mr. Prayot’s group ”)	-
29. Mrs. Pong Sorajjakit (“ Mrs. Pong ”)	<ul style="list-style-type: none"> Spouse of Mr. Sookpat Sorajjakit, elder brother of Mr. Bunluesak.
30. Mrs. Thiraporn Paktaweerakul (“ Mrs. Thiraporn ”)	<ul style="list-style-type: none"> Younger sister of Mr. Bunluesak.
31. PT Thai Union Kharisma Lestari (“ TUKL ”)	<ul style="list-style-type: none"> A subsidiary of the Company. The Company has direct shareholding in TUKL in the proportion of 65.0 percent of registered and paid-up capital.
32. I-Tail Corporation Public Co., Ltd.	<ul style="list-style-type: none"> TU is the common shareholder. TU has direct shareholding of 51.0 percent of the Company’s registered and paid-up capital. TU holds indirect shareholding in ITC in the proportion of 99.55 percent of the registered and paid-up capital. (Songkla Canning PCL changed its name to Songkla Canning PCL on 15 August 2021). The common director is Mr. Chan Shue Chung.

Remark:

¹ Including spouse’s shareholding

9.2.2 Details of Related Party Transactions for the years ending 31 December 2020 and 31 December 2021

1. Transactions that will Recur in the Future

1) Sales

Item	Entity that may be in Conflict of Interest	Transaction Value (Million Baht)			Rationale of the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company sold shrimp feeds to TMAC and subsidiaries of TMAC as well as TUKL (subsidiary in Indonesia).	1. TMAC				<p>The Company sold shrimp feeds to TMAC TMK TUH and TCM (TMAC Group) for TMAC Group's shrimp breeding. The Company set the prices comparable to that of external vendors. Prices, trade terms, and payment that the Company set out for TMAC Group were also comparable to what the Company had determined for other customers. The Company also sold shrimp feeds to TUKL for the purpose of trial and market exploration in Indonesia. The prices set by the Company were comparable to those determined by external vendors.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that this item was reasonable. Sales were part of the Company's ordinary business operations. Prices set for TMAC Group and TUKL were comparable to prices and trade terms that the Company determined for other customers.</p>
	• Revenue	10.6	2.2	8.6	
	• Account receivable	-none-	0.5	0.2	
	2. TMK				
	• Revenue	9.9	27.0	20.2	
	• Account receivable	1.0	1.3	0.2	
	3. TUH				
	• Revenue	1.1	2.8	1.6	
	• Account receivable	0.4	0.3	0.0	
	4. TCM				
2. The Company sold fish feeds to THPC and Mr. Prayot's Group.	• Revenue	5.1	8.5	8.7	<p>The Company sold fish feeds and/or shrimp feeds to THPC and Mr. Prayot Group which consisted of (1) Boonpetch Kasetpan (2) Arnon Farm (3) Wanchai Farm (4) Nong Pla Tapien Farm (5) Chainarong Farm (6) Penroong Farm (7) Mongkon Farm and (8) Prayot Kan Kaset Co., Ltd., to be used to breed snappers, tilapia, and other fish and/or pearl oysters. Since THPC and Mr. Prayot's group are major customers of the Company, they received discounts at the same level as other major customers. These discounts were better than other ordinary customers.</p> <p>However, prices, trade terms, and payment that the Company set out for THPC and Mr. Prayot Group were comparable to what the Company had determined for other major customers.</p>
	• Account receivable	0.6	1.3	0.1	
	5. TUKL				
	• Revenue	-none-	-none-	0.7	
	• Account receivable	-none-	-none-	-none-	
	1. THPC				
	• Revenue	25.6	44.4	35.7	
	• Account receivable	7.6	16.8	11.9	
	2. Boonpetch Kasetpan				
	• Revenue	82.6	8.1	3.0	
	• Account receivable	7.4	0.5	1.2	
	3. Arnon Farm				
	• Revenue	71.1	8.2	3.1	
	• Account receivable	5.7	-none-	1.3	
	4. Wanchai Farm				
	• Revenue	74.2	8.1	2.3	
	• Account receivable	4.7	-none-	1.0	
	5. Nong Pla Tapien Farm				
	• Revenue	20.7	6.6	13.8	
	• Account receivable	0.9	-none-	4.1	

Item	Entity that may be in Conflict of Interest	Transaction Value (Million Baht)			Rationale of the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
	6. Chainarong Farm				Opinion of the Audit Committee The Audit Committee was of the view that the item was reasonable. Sales were part of the Company's ordinary business operations. Prices set for THPC and Mr. Prayot's Group were comparable to prices and trade terms that the Company determined for other major customers.
	• Revenue	14.3	8.3	2.9	
	• Account receivable	4.3	-none-	1.2	
	7. Penroong Farm				
	• Revenue	8.2	8.3	3.0	
	• Account receivable	-none-	1.3	1.2	
	8. Mongkon Farm				
	• Revenue	4.0	8.0	2.7	
	• Account receivable	-none-	0.2	0.6	
	9. Prayot Kan Kaset Co., Ltd.				
	• Revenue	50.3	64.3	45.4	
	• Account receivable	4.9	3.6	2.8	
3. The Company was hired to produce pet food products for TUM.	1. TUM				The Company was hired, for a trial period, to produce pet food products for TUM to increase the capacity utilization rate of the Company's machineries. The prices were set based on the cost and the additional profit margin which was comparable to the profit margin the Company applied to external parties for the production of aquaculture feeds. Prices, trade terms, and payment were the same as what the Company had determined for other customers. Opinion of the Audit Committee The Audit Committee was of the view that the item was reasonable. The trial production was beneficial for the Company as it could increase the capacity utilization rate of the Company's machineries. Moreover, the profit margins were comparable to the profit margins the Company applied to external parties when it was hired to produce aquaculture feeds. Trade terms and payment were similar to what the Company set up for other customers.
	• Revenue	-none-	-none-	6.2	
	• Account receivable	-none-	-none-	0.9	

2) Sales of Products from the Aquaculture Research Farm¹

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale of the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company sold shrimps and snappers from the aquaculture research farm to TU.	1. TU <ul style="list-style-type: none"> • Revenue • Account receivable 	10.0 0.3	4.8 -none-	5.9 -none-	<p>The Company sold mature shrimps and snappers from the Company's aquaculture research farm to external parties including TU for further processing and distribution. When the Company was investing in aquaculture research farm in 2018, TU provided financial support on the setting up the systems and the fee for standards inspection to ensure that the farm was in line with the Best Aquaculture Practices (BAP) of the Aquaculture Certification Council, Inc. (ACC). Hence, when the Company had mature shrimps and snappers which could be sold in large quantity, the Company would inform shrimp buyers including TU of the intention to distribute shrimps and snappers to shrimp buyers as well as TU. Prices and payment conditions set by the Company were comparable to those determined by the Company for other buyers.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and beneficial for the Company. Sales of shrimps and snappers from the Company's aquaculture research farm helped increase revenue for the Company. Moreover, sale prices and trade terms of the distribution of shrimps and snappers to TU were comparable to what the Company had determined for external parties.</p>

Remark:

¹ Apart from transactions on sales of products from the abovementioned aquaculture farm, the Company also sold produce from the aquaculture farm to employees and some executives such as Mr. Rittirong, Mr. Banluesak and Mrs. Savitri as part of the Company's welfare package. These transactions were not significant in value.

3) Purchase of Raw Materials

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale of the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company purchases raw materials from TU TUS and OKF.	1. TU • Expense • Account payable	22.2 2.3	17.3 2.0	17.3 2.5	<p>The Company purchased fresh shrimp shells which were the byproducts of TU TUS and OKF to bake and use as raw materials for the production of aquaculture feeds. The Company purchased fresh shrimp shells from TU, TUS, and OKF because of the limited number of distributors of fresh shrimp shells in the market. TU, TUS, and OKF were the largest sellers of fresh shrimp shells in Thailand. TU, TUS and OKF did not sell fresh shrimp shells that were sold to the Company, to other purchasers. The Company purchased fresh shrimp shells because the production cost of using such shrimp shells was lower than the production cost should the Company purchase dried shrimp shells from other external parties. Trade terms were in accordance with ordinary trade terms.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and in accordance with the ordinary business operations. It also benefited the Company. This was because the production cost of using fresh shrimp shells was lower than the production cost should the Company purchase dried shrimp shells from external parties. The Company had to purchase fresh shrimp shells from TU, TUS, and OKF because there was a limited number of distributors of shrimp shells in the market. Trade terms were found to be in line with ordinary trade terms.</p>
	2. TUS • Expense • Account payable	9.0 0.8	7.8 0.6	10.0 0.9	
	3. OKF • Expense • Account payable	18.9 2.5	18.9 2.2	22.8 3.0	
2. The Company purchased raw materials from TU Jana TC Union and SPF.	1. TU • Expense • Account payable	9.3 1.9	12.0 1.3	12.1 1.4	<p>The Company purchased fish meal from Jana and TC Union to be used as raw materials for the production of aquaculture feeds. Jana and TC Union were certified with the IFFO Standard for Responsible Supply Chain of Custody (IFFO RSCoC) from the International Fishmeal and Fish Oil Organization (IFFO) (“IFFO Standard”).</p> <p>For the Company’s production of aquaculture feeds to be in line with the Best Aquaculture Practices (BAP) which stipulated that the Company needed to use at least 50.0 percent of fish meal with IFFO Standard. There were not many distributors of fish meal with IFFO Standard in Thailand. The prices of fish meal that was sold to the Company were comparable to what Jana and TC Union determined for other customers.</p>
	2. Jana • Expense • Account payable	86.7 24.2	61.3 0.8	47.6 3.0	
	3. TC Union • Expense • Account payable	159.0 6.6	138.5 25.8	167.8 20.6	

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale of the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
	4. SPF <ul style="list-style-type: none"> • Expense • Account payable 	19.0 1.4	0.2 0.0	1.2 -none-	<p>The Company also bought (1) Liquid fish condensate from TU, Jana, and TC Union and (2) fish guts from TC Union. Jana and TC Union sold the above raw materials to the Company at lower prices than those set for other customers.</p> <p>The Company also bought fish oil from Jana and SPF. The prices were comparable to what the Company bought from vendors.</p> <p>Trade terms and payment for the above purchases were in accordance with ordinary trade terms.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and in accordance with the ordinary business operations. Prices were comparable to/ lower than those that the entities that may be in conflict of interest could sell to other customers or the prices that the Company bought from external vendors. Conditions of transactions were in accordance to ordinary trade terms.</p>

4) Purchase of Goods

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale of the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company purchased goods from TU.	1. TU <ul style="list-style-type: none"> • Expense • Account payable 	0.6 0.5	0.5 0.4	0.8 0.9	<p>The Company purchased goods from TU such as hampers, canned fish, and Monori, as gifts given to various trade partners of the Company. TU sold goods to the Company at prices comparable to the prices of the goods sold for other companies under TU group. Moreover, TU set out trade conditions and payment for the Company in the same way that it determined for other companies under TU group.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and in accordance with the ordinary business operations. Prices and trade terms were set in the same way as what TU determined for other companies under TU.</p>

5) Purchase of Baby Shrimps and Chemicals to be used in the Aquaculture Breeding Research Farm

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale of the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company purchased baby shrimps from TUH.	1. TUH • Expense • Account payable	2.2 -none-	0.7 -none-	0.5 -none-	<p>The Company purchased baby shrimps from TUH to be used in the Company's aquaculture breeding research farm. The Company normally procured baby shrimps from many suppliers to diversify shrimp breeds for the research and development of the Company's aquaculture feeds' recipe/formula. The prices and trade terms for the purchase of baby shrimps were comparable to those determined by other distributors.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable. It was carried out for the work of the Company's aquaculture breeding research farm. Prices and trade terms were comparable to those set by other baby shrimp suppliers.</p>
2. The Company purchased chemicals, medicines, and equipment for shrimp breeding from TMAC.	1. TMAC • Expense • Account payable	-none- -none-	0.1 0.0	0.5 -none-	<p>The Company purchased chemicals, medicines, and equipment for shrimp breeding from TMAC to be used in the Company's various projects on shrimp breeding. TMAC generally purchased the above goods to be used in its business operations and sold to external parties. It was convenient for the Company to purchase chemicals, medicines, and equipment from TMAC which sold those goods to the Company with prices and conditions comparable to what TMAC determined for other customers.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable. It was carried out for the work of the Company's aquaculture breeding research farm. Prices and trade terms were comparable to those set by TMAC for external parties.</p>

6) Contract on Technical Cooperation and Permission to use the Tradename with AVANTI

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale of the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company entered into a contract on technical cooperation and permission to use the tradename with AVANTI.	1. AVANTI • Revenue • Account receivable	39.8 8.6	37.8 8.0	47.1 9.3	<p>The Company has entered into a contract on technical cooperation and permission to use the tradename with AVANTI (Contract on Technical Cooperation) since 2003. AVANTI has had the right to distribute products in India or export products with the tradename "PROFEED" and the Company's tradename for pacific white shrimps' feeds. AVANTI paid for the right to use the Company's tradename in accordance with the amount of goods sold under the Company's tradename on a quarterly basis.</p>

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale of the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
					<p>The Company decided to grant the right to use the tradename “PROFEED” and the Company’s tradename for pacific white shrimps’ feeds to AVANTI prior to the investment and shareholding by TU in AVANTI. The Company does not have a plan to expand its business to India directly because the Company does not have an expertise in distributing aquaculture feed in India. The Company has considered and decided that cooperating with local partners who are already a leader in the industry would be more beneficial. <i>(More details can be found in Section 2.2.1 Policy and the Overall Picture of the Company’s Business Operations).</i></p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and beneficial for the Company. Entering into a contract on technical cooperation increases sources of revenues for the Company. Moreover, trade terms were also in accordance with ordinary trade terms.</p>

7) Sales of Baby Shrimps

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company sold baby shrimps for TUH.	1. TUH <ul style="list-style-type: none"> • Revenue • Account receivable 	0.9 -none-	1.9 -none-	0.7 -none-	<p>TUH has hired the Company to support the sales of baby shrimps of TUH because the latter faced limitation in terms of salespersons. Moreover, the Company’s customer group of agriculturalists were considered potential customers of TUH. TUH has determined payment for the service provided by the Company according to the number of baby shrimps sold. The Company had considered and decided that TUH’s baby shrimps were not in competition with the Company’s products. Moreover, the Company did not incur any additional costs in this provision of service. Hence, the Company has provided the service for TUH whereby TUH has paid monthly fees for the Company according to the number of baby shrimps sold.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and beneficial for the Company. The provision of service for TUH by selling baby shrimps to agriculturalists who were customers of the Company incurred no additional costs. Moreover, the transactions were based on ordinary trade terms.</p>

8) Use of IT Service from TU

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company used IT Service provided by TU.	1. TU <ul style="list-style-type: none"> Expense Account payable 	0.6 0.2	0.4 0.1	0.7 0.1	<p>The Company used IT Service provided by TU, namely the employees' emails (Office365) where TU outsourced the service from an external vendor for the whole TU affiliated companies to leverage the economies of scale, saving costs and providing convenience in the provision of IT service of the Company. TU charged fees from each Company under TU in accordance with the number of users of each company and actual service cost. The conditions of payment were the same as what TU charged from other companies under TU group.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and beneficial for the provision of IT services of Company. Moreover, TU charged the service fee at the same rate as it did for other companies under TU group. Trade terms were in accordance with ordinary business practices.</p>

9) Service Agreement with TU, TUM and TMAC

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company entered into Service Agreement with TU.	1. TU <ul style="list-style-type: none"> Expense Account payable 	15.8 6.5	21.6 12.6	13.3 3.8	<p>The Company has entered into a service agreement hiring TU to provide services to support the Company's business operations (Service Agreement) since 1 September 2016. The agreement is an annual contract with automatic renewal. The latest agreement was valid from 1 January – 31 December 2021. According to the agreement, TU was to provide services to support the Company's business operations. Such services include (1) accounting, financing and tax-related (2) human resource management (3) legal (4) internal audit (5) Information Technology and (6) development of business processes and strategies.</p> <p>TU charged a service fee which was calculated from the actual service cost plus an additional 5.0 percent. The Company would pay the service fee to TU on a quarterly basis. This was based on the rate and conditions of payment charged by TU to other companies under TU group.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and beneficial for the Company's operations. TU set a fee at the same rate determined for other companies under the TU group. Trade terms were in accordance with ordinary business practices.</p>

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
2. The Company used the employee management and training services from TUM.	1. TUM • Expense • Account payable	-none- -none-	0.4 0.0	0.6 0.6	<p>The Company has hired TUM to provide services on management for the Company since 1 January 2020 in the form of an annual contract with automatic renewal. The latest contract was valid from 1 January - 31 December 2021. According to the agreement, TUM was to provide services related to the Company's management including (1) logistics (2) information technology (3) shipping (4) government relations and (5) BOI and intellectual properties.</p> <p>TUM charged a service fee which was calculated from the actual cost plus an additional 5.0 percent. The Company would pay the service fee to TUM monthly. This was based on the rate and conditions of payment charged by TUM to other companies under TU Group.</p> <p>Moreover, the Company has used the TUM's services of employees' trainings and data transfer in order to efficiently use the systems provided by TUM according to the above contract. Moreover, TUM has conducted employees' trainings where the Company has sent employees to attend to enhance knowledge for operations in the plants. TUM charged a service fee at the rate lower than that determined for external parties.</p> <p>Opinion of the Audit Committee The Audit Committee was of the view that the item was reasonable and beneficial for the Company's operations. TUM has set a service fee at the same rate determined for other companies under the TU group/ lower than that determined for external parties. Trade terms were in accordance with ordinary business practices.</p>
3. The Company used farming management service from TMAC.	1. TMAC • Expense • Account payable	-none- -none-	-none- -none-	0.7 -none-	<p>The Company has entered into a contract to hire TMAC to manage the shrimp breeding demonstration farm in Chachoengsao Province for 6 months from 1 May 2021 – 31 October 2021. The farm was to be used as a prototype for shrimp breeding. It was also meant to be a learning center for salespersons of TFM to enhance their knowledge on shrimp farming. The Company chose to hire TMAC because of the close proximity of the Company's demonstration farm and TMAC's farm. TMAC also possessed personnel who had expertise in running aquaculture farms. This would be beneficial for the management of the Company's demonstration farm. TMAC assessed fee based on the expenses of employees hired to look after the Company's demonstration farm. The payment was to be made monthly.</p>

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
					Opinion of the Audit Committee The Audit Committee was of the view that the item was reasonable and beneficial for the Company's operations. The Company's demonstration farm was located near TMAC's farm. Moreover, TMAC had personnel with experience in running aquaculture farms which would be beneficial to the management of the Company's aquaculture demonstration farm. TMAC assessed fee based on the actual cost. Trade terms were in accordance with ordinary business practices.

10) Use of other Service such as Insurance and Employee Trainings

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company used insurance broker services from APRC and APRI.	1. APRC • Expense • Prepaid expense • Account payable	4.2 3.1 1.2	5.6 3.3 0.0	6.6 4.2 3.7	The Company used insurance broker services for asset insurance and health insurance of employees from APRC and APRI respectively. The Company decided to use APRC and APRI for convenience since APRC and APRI collected quotations from various insurance companies and submitted to the Company. They also collected insurance premium payments from the Company and pay the respective insurance companies as stipulated in the policies. APRC and APRI did not charge broker fees from the Company. The Company only paid the premiums through APRC and APRI. The brokerage fees would be collected from the insurance companies. This was a general practice in the insurance brokerage industry. Opinion of the Audit Committee The Audit Committee was of the view that the item was reasonable and beneficial to facilitate convenience in the provision of insurance services for the Company. Moreover, APRC and APRI did not charge any brokerage fee from the Company. Trade terms were in accordance with ordinary business practices.
	2. APRI • Expense • Prepaid expense	1.2 0.7	1.2 0.7	0.8 -none-	
2. The Company used the employee training service from EHS.	1. EHS • Expense • Account payable	-none- -none-	0.0 -none-	-none- -none-	The Company commissioned EHS to provide trainings for the Company's work safety personnel. EHS offered consulting services on environment, health and safety at work, and security. EHS assessed service fees for the trainings at the same rate it determined for other companies under TU group. The Company paid the service fee on the pay-as-you-go basis. This constituted the same trade terms for other companies under the TU group. Opinion of the Audit Committee The Audit Committee was of the view that the item was reasonable and beneficial for the development of the Company's human resources. Moreover, EHS charged service fees from the use of the system at the same rate it determined for other companies under the TU group. Trade terms were in accordance with ordinary business practices.

11) Lease of Assets

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company leased the office and warehouse to TMAC.	1. TMAC • Revenue • Account receivable	0.3 -none-	0.4 -none-	0.4 -none-	<p>The Company entered into a contract to lease portion of the area of its head office and Mahachai plant, located at No. 89/1 Moo 2, Kalong Sub-district, Mueang District, Samut Sakhon Province to TMAC for the following uses:</p> <p>(1) Head Office of approximately 34.1 sq.m. This was part of the Company's office building that had not been utilized. The Company has entered into the lease contract since 4 January 2013. The contract had a duration of one year with automatic annual renewal. The latest contract was valid from 1 January - 31 December 2021. The rent was THB 240,000 a year (or THB 20,000 a month). The Company was responsible for utilities (electricity and water) while TMAC would be responsible for phone charges. The rent payment would be made monthly before the 15th of each month. The Company calculated the rent based on actual space, taking into consideration the rent of nearby areas. The rent that the Company collected from TMAC was at a rate comparable to the rent of nearby areas.</p> <p>(2) The Company leased part of the Mahachai Plant to TMAC to be used as a warehouse to store some of TMAC's goods and documents. The rented space was approximately 8.2 x 9.8. This was the space that had not been used by the Company. The Company has entered into the lease contract since 15 August 2019. The contract had a duration of one year with automatic annual renewal. The latest contract was valid from 15 August 2020 – 14 August 2021. The rent was THB 9,700.- a month. The rent payment would be made monthly and in advance before the 7th of each month. The Company calculated the rent based on actual space, taking into consideration the rent of nearby areas. The rent that the Company collected from TMAC was at a rate comparable to the rent of nearby areas.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and generated revenue for the Company from unutilized area. The Company charged rental fees from TMAC at the rates comparable to those in the nearby areas. Payment conditions were in accordance with ordinary business practices.</p>

12) Rent of Assets

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company rented land from TU.	1. TU <ul style="list-style-type: none"> Expense Debt as per the rent contract 	0.5 0.5	0.5 0.5	0.5 -none-	<p>The Company entered into contract to rent land from TU to be used as the Company's aquaculture breeding research farm. The plot had an area of 49 Rai 2 Ngan 92 square Wa. It was located next to the Company's head office in Kalong Sub-district, Mueang District, Samut Sakhon Province. The land rental made it convenient for the Company to manage its aquaculture breeding research farm. The rental contract had a duration of three years from 1 July 2019 – 30 June 2022. The rent was THB 497,300.- a year (or approximately THB 41,441.- a month). TU determined the rent based on the space and rents in nearby areas. The rent would be paid in advance on a yearly basis by 31 July.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and beneficial for the Company. As the rented area is next to the Company, the Company would be able to manage the aquaculture breeding research farm conveniently. TU determined the rent at the rate comparable to the nearby areas. Payment conditions were in accordance with ordinary business practices.</p>
2. The Company rented a shrimp farm along with equipment from TMK.	1. TMK <ul style="list-style-type: none"> Expense Debt as per the rent contract Accrued expenses 	1.6 4.3 -none-	1.6 4.3 -none-	1.4 2.9 -none-	<p>The Company entered into contract to rent a shrimp farm along with equipment from TMK to be used as the Company's aquaculture breeding research farm. The rented farm had an area of 177 Rai 2 Ngan 14 square Wa. It was located at No. 2/2 Moo 5, Bang Sak Sub-district, Kantang District, Trang Province. The Company decided to rent from TMK because the rented premises were located in an Andaman coastal province, making it clean and appropriate for aquaculture breeding. Moreover, the rent came with equipment, thus saving the Company from investing in shrimp breeding equipment. The Company entered into a rental contract with TMK in 2018. The latest contract had a duration of one year from 1 March 2021 - 28 February 2022. The rent was THB 1,500,000.- a year (or approximately THB 125,000.- a month). The rent would be paid in advance on an annual basis by 15 April 2020. TMK charged the rental fee based on space, taking into consideration the rent of nearby areas.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and beneficial for the Company's aquaculture breeding research farm. While the Company has had to make advance payment on an annual basis, TMK charged rent from the Company at the rate comparable to rents in nearby areas. Moreover, TMK has provided equipment that could be used in the research farm.</p>

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
3. The Company rented office space from Chansiri Real Estate.	1. Chansiri Real Estate <ul style="list-style-type: none"> Expense Debt as per the rent contract Accrued expenses 	-none-	0.0	0.1	The Company has entered into contract to rent office space from Chansiri Real Estate to be used as part of the Company's office. It was located at the unit No. 979/91 29 th floor in "SM Tower" Phahonyothin Road, Phayathai Rd., Phayathai District, Bangkok 10400. The total space was 20 sq.m. The office space would facilitate the Company in its efforts to coordinate with various agencies in Bangkok. The contract would be valid for 2 years and 1 month, from 1 December 2020 – 31 December 2022. The rent and service fee was THB 11,000.- a month. Chansiri Real Estate determined the rent based on the space and rents that Chansiri Real Estate leased to other companies under TU group. The rent and service fee would be paid in advance on a monthly basis by 10 th of each month. <u>Opinion of the Audit Committee</u> The Audit Committee was of the view that the item was reasonable and in accordance with the Company's business operations. The rent and trade terms determined by Chansiri Real Estate were the same as what Chansiri Real Estate set for other companies under TU group.
		-none-	-none-	0.1	
		-none-	0.0	0.0	

13) Loan Collaterals

Item	Entity that may be in Conflict of Interest	มูลค่ารายการ (ล้านบาท)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company provided loan collaterals for TUKL in Indonesia.	1. TUKL <ul style="list-style-type: none"> Revenue Accrued income 	-none-	-none-	0.2	The Company became a guarantor for bank loans for TUKL at the shareholding rate of 65%. The Company collected the collateral fee of 0.25% per 360 days. The payment was to be made every 6 months. <u>Opinion of the Audit Committee</u> The Audit Committee was of the view that the item was reasonable and beneficial to the work of the Company. Moreover, the fee collected from TUKL was the same rate charged for other companies under the TU group. Trade terms were in accordance with ordinary business practices.
		-none-	-none-	0.1	

2. Transactions that will not recur in the future

1) Provision of Marine Catch Purchasing Document (MCPD)

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company provided service on the issuance of Marine Catch Purchasing Document (MCPD).	1. TU • Revenue • Account receivable	1.5 0.2	1.1 0.1	-none- -none-	<p>In the business of exporting processed seafood, the entrepreneurs must possess traceability for their products.</p> <p>As the Company had sold shrimp feeds to a supplier of TU, TUS, and OKF, to ensure that TU, TUS, and OKF possessed traceability of that distributor, TU, TUS, and OKF had entered into an MoU for the Company to provide service on the issuance of Marine Catch Purchasing Document (MCPD). It involves asking the Company to procure fish meal from the entrepreneurs with Marine Catch Purchasing Document (MCPD) to be used as raw materials in the production of shrimp feeds for the shrimp distributor of TU, TUS, and OKF.</p> <p>The Company has entered into an agreement with TU and TUS since 2016. The latest agreement was valid from 1 January – 31 December 2020. Since the supplier of fish meal with the Marine Catch Purchasing Document (MCPD) imposed fees on the issuance of the MCPD, the cost of fish meal with MCPD was thus higher than the price of fish meal. In this regard, the Company charged additional fee from TU, TUS, and OKF. TU, TUS, and OKF have agreed to pay the Company on a quarterly basis.</p> <p>However, since around November 2020, the fish meal supplier with MCPD has stopped imposing any additional fee for the issuance of MCPD. In 2021, the Company did not ask for this additional fee from TU, TUS and OKF. This is a non-recurrent item.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable and in accordance with the Company's ordinary business operations. TU, TUS, and OKF had paid the Company for the additional costs incurred from the issuance of MCPD for fish meal. The payment conditions were also in accordance with normal business operations. This is a non-recurrent item.</p>
	2. TUS • Revenue • Account receivable	0.6 0.1	0.8 0.1	-none- -none-	
	3. OKF • Revenue • Account receivable	0.1 0.0	0.1 0.0	-none- -none-	

2) Sales of Snapper-related Product^{s1}

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company sold snapper-related products.	1. TU • Revenue • Account receivable	-none- -none-	2.2 2.2	42.5 -none-	<p>The Company had bought snappers from agriculturalists, who were customers of the Company, to process and sell to external parties in an effort to help agriculturalists in the period when the demand for consumption of snappers decreased significantly due to the COVID-19 pandemic. The Company then sold snapper-related products (frozen snapper fillet) to TU as TU had higher order for frozen snapper fillet from customers compared to what was estimated by TU, while TU did not have sufficient amount of fresh snapper bought from agriculturalists. TU thus bought frozen snapper fillet from the Company to sell to customers of TU. This was also a way to release snapper-related products. The selling price, trade terms and payment were comparable to those determined by the Company for other customers.</p> <p>However, in the second quarter of 2021, the Company decided to end the selling of snapper-related products to reduce the chance of business overlaps between the Company and TU. Hence, this is a non-recurrent item.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable. Selling prices and trade terms for the sales of snapper-related products to TU were comparable to the selling prices and trade terms that the Company determined for other customers. This is a non-recurrent item.</p>

Remark:

^{s1} Apart from the abovementioned sales of snapper-related products, the Company also sold snapper-related products to TUM and Mrs. Phong and Mrs. Thiraporn. The value of such transactions was insignificant as it was below THB 0.1 million.

3) The Provision of Service on Human Resource Management

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company provided service on human resource management.	1. TUS • Revenue • Account receivable	-none- -none-	0.1 0.0	0.2 -none-	<p>From September 2020, TUS had hired one Company staff to support its human resource management. This was because TUS had personnel limitation. The Company had charged TUS based on the actual cost incurred in the amount of THB 30,000 per month. The payment was to be made on a monthly basis. The Company has ended the service for TUS since May 2021. This is a non-recurrent item.</p>

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
					Opinion of the Audit Committee The Audit Committee was of the view that the item was reasonable. The Company charged a service fee which was higher than the cost incurred. Trade terms were in accordance with the ordinary business practice. This is a non-recurrent item.

4) Use of E-Auction Service

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company used the E-Auction service provided by BIZ.	1. BIZ • Expense • Account payable	0.0 0.0	0.1 0.0	-none- -none-	The Company used the E-Auction service provided by BIZ in the selection of the Company's suppliers, including suppliers for raw materials and office supplies. This helped the Company achieved transparency and reduced costs in procuring raw materials. The Company paid fees to BIZ equal to part of the difference of costs in procuring raw materials/products that the Company could save from using e-Auction system provided by BIZ. BIZ charged service fees at the rate it charged to other companies under TU group. The Company paid for the service on a per use basis. Opinion of the Audit Committee The Audit Committee was of the view that the item was reasonable and beneficial to the Company in its selection of suppliers. BIZ charged the Company the same rate it charged to other companies under the TU group. Trade terms were in accordance with ordinary business practices.

5) Lease of Assets

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
1. The Company leased containers to TMAC.	1. TMAC • Revenue • Account receivable	-none- -none-	0.0 -none-	-none- -none-	The Company leased two 20-ft air-conditioned containers (one set of air-conditioner) to TMAC to be used as a storage space. The containers had been unutilized. The Company entered into a lease contract on 27 May 2020. The contract was valid for 6 months, from 1 June 2020 – 30 November 2020. The rent was THB 8,000.- per month, which was to be paid in advance on a monthly basis by 15 th of each month. The Company calculated

Item	Entity that may be in Conflict of Interest	Transaction Value (million Baht)			Rationale for the Transaction
		For the year ending on 31 Dec 2019	For the year ending on 31 Dec 2020	For the year ending on 31 Dec 2021	
					<p>the rent based on the market rent rate. The rent that the Company collected from TMAC was comparable to the market rate for container rental. The contract ended without renewal.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee was of the view that the item was reasonable. The lease helped increase the revenues for the Company. The rent that the Company charged to TMAC was comparable to the market rate of container rental. This is a non-recurrent item.</p>

9.2.3 Measures and Procedures to Seek Approval for Related Party Transactions and the Policy on Future Related Party Transactions

Measures and Procedures to Seek Approval for Related Party Transactions

The Company has determined measures for related party transactions between the Company and/or subsidiaries with related parties, in accordance with the criteria set out in the Securities and Exchange Act B.E. 2535 (1992) (including amendments) and relevant regulations of the Capital Market Supervisory Board and/or the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee will provide opinion on a proposal for a related party transaction and the pricing suitability of that transaction on a fair and at arm length basis. It will ensure that the conditions associated with the transaction is in accordance with the market and business practices. Comparisons will be made with market prices and/or the prices set for external parties.

In the case of an ordinary business transaction or a transaction to support the Company's ordinary business with a possibility of recurring in the future, the transaction will need to have trade agreement in the same way that a person of ordinary prudence will conduct with general partners in the same situation, possessing the trade bargaining power without the influence of status as a director, an executive, or a related person. It must not result in a transfer of benefits and/or must be able to show that the transaction has reasonable or fair prices or conditions. Should the Company's Board of Directors approve the framework of a transaction in principle, the Company may conduct the transactions that comply with the determined framework immediately without the need to

seek approval from the Board of Directors again. And the Company will produce a report summarizing related party transactions to the Company's Audit Committee Meeting and the Board of Directors Meeting on a quarterly basis, to comply with the Securities and Exchange Act, rules, regulations, orders, or provisions of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

In the case of other types of transactions, the Company will need to submit a proposal to the Audit Committee for its views on pricing suitability and the reasonableness of the proposed transaction. If the Audit Committee does not have expertise to consider a possible related party transaction, the Company may ask an independent expert or the Company's external auditor to provide opinions on the transaction to supplement the consideration of the Audit Committee, the Board of Directors, and/or the Company's shareholders (as applicable), to ensure that the transaction will not result in the transfer of the Company's benefits. The transaction needs to be based on achieving the highest benefits for the Company and all shareholders. In the approval of a related party transaction, the entities which may have conflict of interest or become stakeholders in the transaction will not be able to vote. Moreover, the Company will disclose the related party transactions in the remarks to accompany financial statements that are audited by the Company's external auditor, and in the Company's annual reports and information disclosure reports (Form 56-1).

Following the Company's listing in the Stock Exchange of Thailand, the Company is to strictly adhere to the rules, regulations, steps, and criteria provided by the Securities

and Exchange Act B.E. 2535 (1992) (including amendments), as well as relevant criteria of the Capital Market Supervisory Board and/or the Securities and Exchange Commission, and the Stock Exchange of Thailand on matters related to related party transactions, the acquisition and disposition of assets under the relevant rules and regulations for listed companies.

Criteria and the Approval of Related Party Transactions in the Future

In the future, should there be a related party transaction, the Company will comply with the law on securities and exchange, regulations, announcements, orders or provisions of the Capital Market Supervisory Board, the Stock and Exchange Commission, and the Stock Exchange of Thailand. The transaction must not result in the transfer of the benefits of the Company or the Company's shareholders. Rather, the transaction must take into consideration the highest benefits for the Company and each shareholder.

In the case of an ordinary business transaction or a transaction to support the Company's and subsidiaries' ordinary business with a possibility of recurring in the future, the Company is to determine the framework of such transaction. The transaction will need to have trade agreement in the same way that a person of ordinary prudence will conduct with general partners in the same situation, possessing the trade bargaining power without the influence of status as a director, an executive, or a related person. It must not result in a transfer of benefits. Should the Company's Board of Directors approve the framework of transaction in principle, the management team may conduct the transaction that complies with the determined framework immediately without the need to seek approval from the Board of Directors again. The transaction needs to be in line with the Securities and Exchange Act, rules, regulations, orders, or provisions of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand.

In order to comply with the principles of good corporate governance, the management team, which is responsible for the conduct of a related party transaction will be asked to provide details of the transaction as well as supplementary information on referenced prices and ordinary trade terms. The information is to be submitted to the internal audit to review whether the related party transaction follows

the framework determined by the Board of Directors. The management team, together with the internal audit will present the details of the transaction to the Audit Committee on a quarterly basis to ensure that the transaction is reasonable and yield highest benefit for the Company. Should it be found by the Audit Committee that there is any diversion from the framework determined by the Board of Directors, the Audit Committee will report to the Board of Directors for any rectification within the period specified by the Audit Committee. If the Board of Directors or the executives fail to rectify within the given period, a member of the Audit Committee may report the transaction or the undertaking to the Securities and Exchange Commission or the Stock Exchange of Thailand.

the Company will need to submit a proposal to the Audit Committee for its views on pricing suitability and the reasonableness of the proposed transaction. If the Audit Committee does not have expertise to consider a possible related party transaction, the Company may ask an independent expert such as the Company's external auditor or asset valuer to provide opinions on the transaction to supplement the consideration of the Board of Directors, or the Company's shareholders (as applicable), to ensure that the transaction will not result in the transfer of the Company's benefits. The transaction needs to be based on achieving the highest benefits for the Company and all shareholders.

9.2.4 Related Party Transactions in the Future

The Company expects certain related party transactions to continue into the future. They are those which fall under the transactions for ordinary business transactions or transactions to support the Company's and subsidiaries' ordinary businesses, such as sales of goods, sales of marine animals, purchase of raw materials, contracts on technical cooperation and approval to use the tradename with AVANTI, the use of services to support the business, asset rental, and asset leasor transactions (offices and warehouses). The Company will work to ensure that the prices and payment conditions are in accordance with ordinary business practices. Other types of transactions, namely the provision of service to obtain Marine Catch Purchasing Document (MCPD), the provision of service on Human Resource Management, sales of snapper-related products, the use of e-Auction system, and asset lease (containers), are not going to recur in the future.

3



Financial Statements



The Board of Directors also believes that all these financial statements have been prepared in accordance with **generally accepted accounting principles and related laws and regulations.**



3



Financial Statements



The Board of Directors also believes that all these financial statements have been prepared in accordance with **generally accepted accounting principles and related laws and regulations.**



Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for Thai Union Feedmill Public Company Limited's financial statements and Thai Union Feedmill Public Company Limited and its subsidiaries' consolidated financial statements, including the financial information presented in this form 56-1 One Report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparently disclosed in the notes to financial statements for the Company shareholders and investors.

The Board of Directors provides and maintains risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to retain its assets as well as to prevent fraud or materially irregular operations. In this regard, the Board of Directors has appointed an Audit Committee comprising independent directors to be responsible for reviewing quality of the financial reports, internal controls, internal audit and risk management system. The Audit Committee also reviews a disclosure of

related party transactions. All their comments on these issues are presented in the Audit and Risk Committee Report included in this form 56-1 One Report.

The separate financial statements and the consolidated financial statements of the Company have been examined by an external auditor, Pricewaterhousecoopers ABAS Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, all records and related data, as requested, are provided to the auditor. The auditor's opinion is presented in the auditor's report as a part of this form 56-1 One Report. The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Thai Union Feedmill Public Company Limited's financial statements and Thai Union Feedmill Public Company Limited and its subsidiaries' consolidated financial statements for the year ended 31 December 2021. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



(Mr. Rittirong Boonmechote)
Chairman of the Board of Directors



(Mr. Bunluesak Sorajjakit)
Chief Executive Officer

Independent Auditor's Report

To the shareholders and the Board of Directors of Thai Union Feedmill Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Thai Union Feedmill Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and

- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Allowance for expected credit loss for trade receivables. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p>Allowance for expected credit loss for trade receivables</p> <p>Refer to Note 5.4 'Accounting policies - Trade receivables' and Note 12 'Trade receivables, net' to the consolidated and separate financial statements.</p> <p>As of 31 December 2021, the Group has net trade receivables in the consolidated and separate financial statements in the amount of Baht 630.9 million and Baht 568 million, respectively, representing 19% and 20% of total assets. The loss allowance for trade receivables included in the consolidated and separate financial statements totalled Baht 115.6 million and Baht 114.1 million, respectively. The Group management has the policy to assess the collectability of outstanding trade receivables and the appropriate loss allowance for trade</p>	<p>I evaluated the appropriateness of the loss allowance on trade receivables by:</p> <ul style="list-style-type: none"> - Understanding the process relating to the allowance of credit losses of trade receivables - Inquiring the Group management the appropriateness of identification and judgement of loss allowance required and assessing whether the method selected was appropriate and following Thai Financial Reporting Standards (TFRS) - Evaluating the completeness, accuracy and relevance of data used in the expected credit loss consideration and checking the mathematical accuracy of the calculations - Considering the reasonableness of the Group management's assessment of the adequacy of the loss allowance on overdue individual accounts receivable by retrospectively calculating the average of the past five years of loss rates

Key audit matter	How my audit addressed the key audit matter
<p>receivables based on overdue balance, historical collectability and collaterals and forward-looking factors that may affect the collectability.</p> <p>The loss allowance was assessed based on the probability-weighted present value of estimated uncollectible amounts. In addition, the Group management considered the expected credit loss based on historical collectability, the possibility of recoverable amount, forward-looking information, regularly assessing customers' credit risk characteristics and other adjustments of the loss allowance.</p> <p>I focused on this area because the amount of loss allowance is material and related to the Group management's judgement regarding the reasonableness of assumptions used in the collectability assessment.</p>	<p>for each group of trade receivable, as loss rates were significant assumptions used to calculate loss allowance at the reporting date. I also assessed the possibility of recoverable amount and collectability after the reporting date</p> <ul style="list-style-type: none"> - Testing the reliability of the trade receivables aging report used in initially assessing the loss allowance. I sampling tested the accuracy of the trade receivables aging classification of representative invoices. I tested the accuracy by recalculating the number of overdue days - Evaluating the adequacy of disclosures regarding the expected credit loss for trade receivables included in the consolidated and separate financial statements. <p>Based on my procedures above, I found that the loss allowance for trade receivables was reasonable, consistent with historical data and aligned with the available evidence.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial

statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Pongthavee Ratanakoses
Certified Public Accountant (Thailand) No. 7795
Bangkok
17 February 2022

Thai Union Feedmill Public Company Limited**Statement of Financial Position**

As at 31 December 2021

	Notes	Consolidated financial statement		Separate financial statement	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Current assets					
Cash and cash equivalents	11	346,378	119,265	332,334	8,817
Short-term investment	6, 11	200,000	-	200,000	-
Trade and other receivables, net	12, 31	657,848	537,938	587,392	537,822
Inventories, net	13	487,082	497,969	470,576	497,969
Other current assets		703	193	703	193
Total current assets		1,692,011	1,155,365	1,591,005	1,044,801
Non-current assets					
Investment in a subsidiaries using cost method	14	-	-	333,120	302,149
Property, plant and equipment, net	15	1,587,476	1,282,560	943,476	985,264
Right-of-use assets, net	16	14,896	7,544	7,466	7,544
Intangible assets, net	17	3,435	5,775	3,319	5,775
Deferred tax assets, net	18	12,144	17,565	12,140	17,565
Other non-current assets		33,601	29,678	21,339	16,698
Total non-current assets		1,651,552	1,343,122	1,320,860	1,334,995
Total assets		3,343,563	2,498,487	2,911,865	2,379,796

Director _____

Director _____

Thai Union Feedmill Public Company Limited
Statement of Financial Position (continued)

As at 31 December 2021

		Consolidated financial statement		Separate financial statement	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	19	-	359,481	-	359,481
Trade and other payables	20, 31	576,962	507,388	528,047	506,862
Current portion of lease liabilities, net	16	4,851	2,686	2,774	2,686
Current portion of long-term loans from financial institution, net	21	5,875	-	-	-
Income tax payable		376	12,026	-	12,026
Other current liabilities		1,665	4,549	1,526	4,473
Total current liabilities		589,729	886,130	532,347	885,528
Non-current liabilities					
Lease liabilities, net	16	8,730	4,569	3,604	4,569
Long-term loans from a financial institution, net	21	193,875	-	-	-
Deferred tax liabilities , net	18	1,242	-	-	-
Employee benefit obligations	22	146,549	125,134	146,440	125,134
Total non-current liabilities		350,396	129,703	150,044	129,703
Total liabilities		940,125	1,015,833	682,391	1,015,231

The accompanying notes are integral part of these financial statements.

Thai Union Feedmill Public Company Limited
Statement of Financial Position (continued)

As at 31 December 2021

		Consolidated financial statement		Separate financial statement	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity (continued)					
Equity					
Share capital					
Authorised share capital					
500,000,000 ordinary shares at a par value of Baht 2 each	23	1,000,000	1,000,000	1,000,000	1,000,000
Issued and paid-up share capital					
500,000,000 ordinary shares paid-up of Baht 2 each (2020 : 410,000,000 ordinary shares paid-up of Baht 2 each)	23	1,000,000	820,000	1,000,000	820,000
Premium on share capital	23	1,006,859	-	1,006,859	-
Retained earnings					
Appropriated - legal reserve	25	100,000	100,000	100,000	100,000
Unappropriated		106,339	435,195	122,615	444,565
Other components of equity		3,964	(19,624)	-	-
Equity attributable to owners of the Company					
Non-controlling interests		186,276	147,083	-	-
Total equity					
Total liabilities and equity					

The accompanying notes are integral part of these financial statements.

Thai Union Feedmill Public Company Limited
Statement of comprehensive income

For the year ended 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Sales	9, 31	4,773,104	4,183,810	4,615,924	4,183,810
Cost of sales		(4,278,231)	(3,489,516)	(4,141,490)	(3,489,516)
Gross profit		494,873	694,294	474,434	694,294
Other income	26, 31	60,855	60,656	60,418	59,052
Profit before expenses		555,728	754,950	534,852	753,346
Selling expenses		(172,178)	(154,420)	(169,062)	(154,420)
Administrative expenses		(156,733)	(145,295)	(139,152)	(142,706)
Impairment losses on trade and other receivables	12	(13,094)	(4,880)	(11,635)	(4,880)
Gain (loss) on exchange rates, net		5,500	6,981	5,107	9,606
Other losses, net		(622)	(2,469)	(622)	(2,469)
Operating profit		218,601	454,867	219,488	458,477
Finance costs		(8,765)	(5,369)	(4,693)	(5,369)
Profit before income tax		209,836	449,498	214,795	453,108
Income tax	28	(165)	(39,068)	3,609	(39,068)
Profit for the year		209,671	410,430	218,404	414,040

The accompanying notes are integral part of these financial statements.

Thai Union Feedmill Public Company Limited
Statement of comprehensive income (continued)

For the year ended 31 December 2021

		Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other comprehensive income					
(expenses):					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurement of post-employment benefit obligations, net of income tax	28	(7,354)	-	(7,354)	-
Total items that will not be reclassified subsequently to profit or loss		(7,354)	-	(7,354)	-
Items that will be reclassified subsequently to profit or loss					
- Exchange differences on translation		35,209	(10,721)	-	-
Total items that will be reclassified subsequently to profit or loss		35,209	(10,721)	-	-
Other comprehensive income (expenses) for the year, net of income tax		27,855	(10,721)	(7,354)	-
Total comprehensive income for the year		237,526	399,709	211,050	414,040
Profit (loss) attributable to:					
Owners of the Company		211,498	411,694	218,404	414,040
Non-controlling interests		(1,827)	(1,264)	-	-
Profit for the year		209,671	410,430	218,404	414,040
Total comprehensive income (expenses) attributable to:					
Owners of the Company		227,732	404,725	211,050	414,040
Non-controlling interests		9,794	(5,016)	-	-
Total comprehensive income for the year		237,526	399,709	211,050	414,040
Earnings per share (Baht)					
Basic earnings per share	29	0.50	1.00	0.51	1.01

The accompanying notes are integral part of these financial statements.



Thai Union Feedmill Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2021

Consolidated financial statement										
Notes	Attributable to owners of the Company									
	Retained earnings			Other components of equity			Total equity attributable to owners of the parent			Total
	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Appropriated - legal reserve Thousand Baht	Unappropriated Thousand Baht	Exchange differences on translation Thousand Baht	Total other components of equity Thousand Baht	Total equity attributable to owners of the parent Thousand Baht	Non-controlling interests Thousand Baht	Total Thousand Baht	
Closing balance as at 1 January 2020	820,000	-	100,000	146,501	(12,655)	(12,655)	1,053,846	99,819	1,153,665	
Dividend payment	-	-	-	(123,000)	-	-	(123,000)	-	(123,000)	
Increase in non-controlling interests from additional share capital in a subsidiary	-	-	-	-	-	-	-	52,280	52,280	
Profit for the year	-	-	-	411,694	-	-	411,694	(1,264)	410,430	
Other comprehensive income (expenses) for the year	-	-	-	-	(6,969)	(6,969)	(6,969)	(3,752)	(10,721)	
Closing balance as at 31 December 2020	820,000	-	100,000	435,195	(19,624)	(19,624)	1,335,571	147,083	1,482,654	
Closing balance as at 1 January 2021	820,000	-	100,000	435,195	(19,624)	(19,624)	1,335,571	147,083	1,482,654	
Ordinary shares issued	180,000	1,006,859	-	-	-	-	1,186,859	-	1,186,859	
Increase in non-controlling interests from additional share capital in a subsidiary	-	-	-	-	-	-	-	29,399	29,399	
Dividend payment	-	-	-	(533,000)	-	-	(533,000)	-	(533,000)	
Profit for the year	-	-	-	211,498	-	-	211,498	(1,827)	209,671	
Other comprehensive income (expenses) for the year	-	-	-	(7,354)	23,588	23,588	16,234	11,621	27,855	
Closing balance as at 31 December 2021	1,000,000	1,006,859	100,000	106,339	3,964	3,964	2,217,162	186,276	2,403,438	

The accompanying notes are integral part of these financial statements.

Thai Union Feedmill Public Company Limited
Statement of Changes in Equity

For the year ended 31 December 2021

Separate financial statement					
Notes	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Retained earnings		Total Thousand Baht
			Appropriated - legal reserve Thousand Baht	Unappropriated Thousand Baht	
Closing balance as at 1 January 2020	820,000	-	100,000	153,525	1,073,525
Dividend payment 24	-	-	-	(123,000)	(123,000)
Profit for the year	-	-	-	414,040	414,040
Closing balance as at 31 December 2020	820,000	-	100,000	444,565	1,364,565
Closing balance as at 1 January 2021	820,000	-	100,000	444,565	1,364,565
Ordinary shares issued 23	180,000	1,006,859	-	-	1,186,859
Dividend payment 24	-	-	-	(533,000)	(533,000)
Profit for the year	-	-	-	218,404	218,404
Other comprehensive income (expenses) for the year	-	-	-	(7,354)	(7,354)
Closing balance as at 31 December 2021	1,000,000	1,006,859	100,000	122,615	2,229,474

The accompanying notes are integral part of these financial statements.

Thai Union Feedmill Public Company Limited
Statement of Cash Flows

For the year ended 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities					
Profit before income tax		209,836	449,498	214,795	453,108
Adjustment items:					
Depreciation expenses	15, 16	147,513	126,907	144,219	126,853
Amortisation expenses	17	3,131	4,288	3,118	4,288
Allowance for doubtful accounts	12	13,094	4,880	11,635	4,880
Allowance for diminution in value of inventories	27	(310)	963	(639)	963
Employee benefit obligations	22	16,960	13,604	16,850	13,604
Unrealised gain from fair value valuation on derivatives		(457)	(279)	(457)	(279)
Loss on disposals and write-offs of property, plant and equipment and intangible assets, net		622	830	622	830
Reversal of allowance for impairment of property, plant and equipment	15	(2,340)	(191)	(2,340)	(191)
Loss (Gain) on exchange rates, net		(261)	1,866	146	(759)
Finance costs		8,765	5,369	4,693	5,369
Interest income		(84)	(1,659)	(84)	(55)
		396,469	606,076	392,558	608,611
Changes in operating assets and liabilities:					
- Decrease (Increase) in trade and other receivables		(135,686)	56,591	(60,489)	56,640
- (Increase) Decrease in inventories		(13,205)	(122,531)	3,309	(122,531)
- (Increase) Decrease in other current assets		(25)	311	(25)	311
- (Increase) Decrease in other non-current assets		652	229	(66)	229
- Increase in trade and other payables		69,683	53,577	20,491	53,543
- Decrease in other current liabilities		(2,912)	(1,950)	(2,975)	(2,210)
- Cash paid for employee benefit obligations	22	(3,485)	(15,310)	(3,485)	(15,310)
Cash flows receipts from operations		311,491	576,993	349,318	579,283
- Interest received		84	1,659	84	55
- Income tax paid		(8,837)	(15,615)	(6,980)	(15,615)
Net cash receipts from operating activities		302,738	563,037	342,422	563,723

The accompanying notes are integral part of these financial statements.

Thai Union Feedmill Public Company Limited

Statement of Cash Flows (continued)

For the year ended 31 December 2021

		Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from investing activities					
Purchases of property, plant and equipment		(380,970)	(312,550)	(75,460)	(206,066)
Cash payment for short term investment	11	(200,000)	-	(200,000)	-
Proceeds from disposals of property, plant and equipment, right-of-use assets, and intangible assets		2,626	757	2,626	757
Purchase of intangible assets	17	(433)	(5,579)	(302)	(5,579)
Cash payments for investment in a subsidiaries	14	-	-	(30,971)	(97,093)
Net cash payment for investing activities		(578,777)	(317,372)	(304,107)	(307,981)
Cash flows from financing activities					
Net cash receipts from short-term loans from financial institutions	30	(359,481)	(129,539)	(359,481)	(129,539)
Cash receipts from long-term loan from a financial institution	21	191,000	-	-	-
Cash receipts from share capital issuance	23	1,186,859		1,186,859	
Interest paid	30	(6,028)	(5,065)	(4,417)	(5,065)
Cash payments for lease liabilities	16, 30	(6,620)	(2,958)	(4,816)	(2,958)
Receipts from non-controlling interests for additional share capital in a subsidiaries		29,399	52,280	-	-
Dividends paid to the owners of the Company	24	(533,000)	(123,000)	(533,000)	(123,000)
Net cash receipts from (payments for) financing activities		502,129	(208,282)	285,145	(260,562)
Net increase (decrease) in cash and cash equivalents					
Cash and cash equivalents - opening balance	11	119,265	92,250	8,817	13,639
Exchange loss (gain) on cash and cash equivalents		1,023	(10,368)	57	(2)
Cash and cash equivalents - closing balance	11	346,378	119,265	332,334	8,817
Non-cash items					
Payable balances from purchase of property, plant and equipment (included in trade and other payable)	20	11,304	11,501	11,304	11,501
Acquisitions of right-of-use assets under lease contracts	16	13,151	2,069	3,772	2,069

The accompanying notes are integral part of these financial statements.

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

1 General information

Thai Union Feedmill Public Company Limited ("the Company") is a public limited company, which is listed on the Stock Exchange of Thailand, and is incorporated and domiciled in Thailand. The current address of the Company's registered office is at 89/1 Moo 2 Kalong, Mueang Samutsakhon, Samutsakhon. The Company has 4 branches in Samutsakhon, Songkhla, and Trang.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The Company is controlled by Thai Union Group Public Company Limited ("the Parent Company"), which owns, which owns 51% of the Company's shares. The Parent Company is incorporated in Thailand and listed on the Stock Exchange of Thailand.

The principal business operations of the Group and the Company are manufacturer and distributor of animal feeds.

These Group consolidated and separate financial statements were authorised for issue by the Company's authorised directors on 17 February 2022.

2 Significant events during the current year

In early 2021, the outbreak of COVID-19, which began in 2020, is continuing. The trend of the number of infected people both in Thailand and abroad is on the rise. This situation affects the overall economy of Thailand, including the Group's operating results for the year ended 31 December 2021.

With a series of precautionary measures continued to be implemented across regions including certain level of restrictions and controls over the travelling and traffic arrangements, it resulted in impact to the demand of the industry. However, the Group is now paying close attention to the situation of the COVID-19 outbreak and evaluating its impacts on the operation together with contriving a way to deal with the issue to ensure the ongoing operation and the ability to deliver products to the Group's customers.

To continue to meet strategic goals and customer demands, the Group has established a crisis management team that regularly reviews the situation. In addition, the Group is taking steps to ensure business continuity and liquidity by setting aside appropriate reserves and putting in place measures for effective cost, working capital management, and credit risk management. The Group has a policy and process to control credit to be more concise and manage to have no significant concentration of large debtor groups.

3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except derivatives as explained in relevant accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

4 New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021

- a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:
- Measurement basis, including factors in considering difference measurement basis
 - Presentation and disclosure, including classification of income and expenses in other comprehensive income
 - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
 - Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

- b) Amendment to TFRS 3, Business combinations amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.
- c) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
- d) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates come of the guidance in TAS 1 about immaterial information.

The above new and amended standards do not have a significant impact on the Group.

4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group and the Company.

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the statement of income. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

The Group is currently assessing the impact of adoption of these new and amended standards that have been issued that are not mandatory for current reporting period.

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

5 Accounting policies

5.1 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

A list of the Group's subsidiaries has been disclosed in Note 14.

b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognised in profit or loss.

When the Group loses control any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries and equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

5.2 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Thai Union Feedmill Public Company Limited**Notes to the Financial Statements**

For the year ended 31 December 2021

5.3 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statement of financial position, bank overdrafts are shown in current liabilities.

5.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at its present value.

The Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on factors affecting the ability of the customers to settle the receivables. The impairment losses are recognised in profit or loss within administrative expenses.

The impairment of trade receivables is disclosed in Note 5.6.

5.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, rebates and other similar items. The cost of finished goods and work in progress comprises raw materials, direct labour costs, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for slow-moving, obsolete and defective inventories.

5.6 Financial assets**Classification**

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

Recognition and derecognition

The Group shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest (SPPI).

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, 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. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- **FVOCI:** A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, 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. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

Impairment

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime expected credit loss, from initial recognition for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, The Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk and recognise impairment loss since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to The Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, The Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment losses are presented as net impairment losses in the statement of income. Subsequent recoveries of amounts previously written off are credited against the same line item.

5.7 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Land improvements	3 - 20 years
Buildings and building improvements	20 - 25 years
Machinery and factory equipment	5 - 15 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicles	5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

5.8 Intangible assets

Trademarks

Acquired trademarks with a finite useful life are carried at cost less accumulated amortisation and allowance for impairment. The trademarks are amortised using the straight-line method to allocate the cost of licences over their estimated useful lives of 10 years.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line basis over their estimated useful lives 3 - 10 years. Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Expenditure to enhance or extend the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

5.9 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

5.10 Leases

Leases - where the Group is the lessee

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

The Group recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

The lease liability is re-measured when there is a change in future lease payments arising from the following items:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - where the Group is the lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

5.11 Financial liabilities
Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

Recognition, Derecognition and modification

The Group shall recognise a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

5.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

5.13 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5.14 Employee benefits

Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

Defined contribution plan

A defined contribution plan or provident fund is a post-retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated every two to three years by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounted the estimated future cash outflows using the market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are charged or credited to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

Other long-term benefits

The Group operates other long-term benefit schemes for employees who complete the service years according to the policy.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

5.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

5.16 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

5.17 Revenue recognition

The Group recognises revenue in the period when control of goods or services transferred to customers in an amount that reflect the net consideration the Group expects to receive. Depending on the terms of the underlying contract, the Group recognises revenue from sales when it either ships or delivers finished goods and control of the goods transfers to the customer. At contract inception, the Group assesses the goods promised in the contract to identify the performance obligations. Each performance obligation is a promise to transfer to the customer a good or service that is distinct. The transaction price will need to be allocated to the distinct performance obligations based on the relative standalone selling price of the goods and other performance obligations to ensure that revenue is recognised at the appropriate time and for the correct amount.

The Group recognises revenue when it satisfies a performance obligation by transferring the promised goods or services to the customer, which is when the customer gains control of those goods, or services. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time, typically for promises to transfer goods to a customer, or over time, typically for promises to transfer services to a customer.

Interest income is recognised on an accrual basis, using the effective interest method.

Revenue arising from royalties, which is based on sales, is recognised when the subsequent relevant sale occurs.

Dividend income is recognised when the right to receive payment is established.

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

5.18 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when the annual dividends are approved by the shareholders, and when interim dividends are approved by the Board of Directors.

5.19 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument in hedge accounting, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or unrecognised firm commitments (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains (losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains (losses).

5.20 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under TFRS 9; and
- the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of TFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument; and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Thai Union Feedmill Public Company Limited**Notes to the Financial Statements**

For the year ended 31 December 2021

6 Financial risk management**6.1 Financial risk factor**

The Group exposes to a variety of financial risk: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Group's Treasury Function. The Group's policy includes areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for Treasury team.

6.1.1 Market risk**a) Foreign exchange risk**

The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate and consistent with the risk from business operations resulting from foreign currencies. The Group uses forward contracts, transacted with the financial institutions, to hedge their exposure to foreign currency risk in connection with measurement currency under the group's policy, the critical terms of the forwards and options must align with the hedged items.

The balances of financial assets and liabilities denominated in foreign currencies of the Group and the Company are summarised below.

As at 31 December	Consolidated and Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Foreign currency						
USD	46,780	19,303	39,985	58,876	33.42	30.12

Sensitivity

As shown in the table above, the Group is primarily exposed to changes between Baht and US Dollar or Euro exchange rates. The sensitivity of pre-tax profit or loss to changes in the exchange rates arises, while holding all other variables constant, mainly from financial assets and financial liabilities denominated in US Dollar.

As at 31 December	Consolidated and Separate financial statements	
	Impact to net profit	
	2021 Thousand Baht	2020 Thousand Baht
Exchange rate THB to USD Increase 5%	340	(1,979)
Exchange rate THB to USD Decrease 5%	(340)	1,979

The Group and the Company had outstanding forward contracts as summarised below.

Foreign currency	Bought amount (million)	Sold amount (million)	Contractual exchange rate		
			Bought amount	Sold amount	Contractual maturity date
As at 31 December 2021					
USD	1.92	-	32.72 - 33.70 Baht against USD	-	April 2022
As at 31 December 2020					
USD	0.96	0.34	29.87 - 30.15 Baht against USD	30.07 - 30.12 Baht against USD	April 2021

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions and short-term borrowings from financial institutions. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

	Consolidated financial statements								
	Fixed interest rates			Floating interest rates			Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	(% p.a.)
As at 31 December 2021									
Financial assets									
Cash and cash equivalents	100,000	-	-	226,097	-	-	20,281	346,378	0.05 - 0.30
Short-term investments	200,000	-	-	-	-	-	-	200,000	0.32
	300,000			226,097	-	-	20,281	546,478	
Financial liabilities									
Long-term loans from financial institutions	-	-	-	5,875	193,875	-	-	199,750	8.60
Lease liabilities	4,851	8,730	-	-	-	-	-	13,581	1.99 - 4.50
	4,851	8,730	-	5,875	193,875	-	-	213,331	
As at 31 December 2020									
Financial assets									
Cash and cash equivalents	-	-	-	8,390	-	-	110,875	119,265	0.05 - 0.13
	-	-	-	8,390	-	-	110,875	119,265	
Financial liabilities									
Short-term loans from financial institutions	359,481	-	-	-	-	-	-	359,481	0.75 - 0.95
Lease liabilities	2,686	4,569	-	-	-	-	-	7,255	4.00 - 4.50
	362,167	4,569	-	-	-	-	-	366,736	
	Separate financial statements								
	Fixed interest rates			Floating interest rates			Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	(% p.a.)
As at 31 December 2021									
Financial assets									
Cash and cash equivalents	100,000	-	-	226,097	-	-	6,237	332,334	0.05 - 0.30
Short-term investments	200,000	-	-	-	-	-	-	200,000	0.32
	300,000	-	-	226,097	-	-	6,237	532,334	
Financial liabilities									
Lease liabilities	2,774	3,604	-	-	-	-	-	6,378	1.99 - 4.50
	2,774	3,604	-	-	-	-	-	6,378	
As at 31 December 2020									
Financial assets									
Cash and cash equivalents	-	-	-	8,390	-	-	427	8,817	0.05 - 0.13
	-	-	-	8,390	-	-	427	8,817	
Financial liabilities									
Short-term loans from financial institutions	359,481	-	-	-	-	-	-	359,481	0.75 - 0.95
Lease liabilities	2,686	4,569	-	-	-	-	-	7,255	4.00 - 4.50
	362,167	4,569	-	-	-	-	-	366,736	

Thai Union Feedmill Public Company Limited**Notes to the Financial Statements**

For the year ended 31 December 2021

6.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost as well as credit exposures to customers, including outstanding receivables.

(a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only reliable parties are accepted. Regarding transactions with customers, the Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history, taking into account its financial position, past experience and other factors. Individual risk limits are set based on risk assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management. There are no significant concentrations of credit risk.

The Group's investments in debt instruments are considered to be low risk investments. The Group regularly monitors the credit ratings of the investments for credit deterioration.

(b) Impairment of financial assets

The Group and the Company has financial assets that are subject to the expected credit loss model.

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

The expected loss rates are based on the payment profiles of sales over a period of the last 5 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information factors affecting the ability of the customers to settle the receivables.

The impairment loss of trade receivables is disclosed in Note 12.

6.1.3 Liquidity risk

The Group's financial liabilities are due within 5 years after the reporting date.

Prudent liquidity risk management implies maintaining sufficient cash and funding availability through an adequate amount of committed credit facilities. Unused borrowing facilities have been disclosed in Note 21. Due to the nature of the underlying business, the Group Treasury aims at maintaining funding flexibility by keeping committed credit lines available.

The analysis of the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities is presented in Note 6.1.1 (b). All derivatives of the Group as at 31 December 2021 will be matured within one year.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Consolidated financial statements			
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Total Thousand Baht	Carrying amount liabilities Thousand Baht
Maturity of financial liabilities				
As at 31 December 2021				
Non-derivatives financial liabilities				
Trade and other payables	563,835	-	563,835	563,835
long-term borrowings	22,606	225,338	247,944	199,750
Lease liabilities	5,751	8,458	14,209	13,581
Total non-derivatives financial liabilities	592,192	233,796	825,988	777,166
As at 31 December 2020				
Non-derivatives financial liabilities				
Trade and other payables	501,087	-	501,087	501,087
Short-term borrowings	359,481	-	359,481	359,481
Lease liabilities	2,942	5,217	8,159	7,255
Total non-derivatives financial liabilities	863,510	5,217	868,727	867,823

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	Separate financial statements			
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Total Thousand Baht	Carrying amount liabilities Thousand Baht
Maturity of financial liabilities				
As at 31 December 2021				
Non-derivatives financial liabilities				
Trade and other payables	514,919	-	514,919	514,919
Lease liabilities	3,444	3,100	6,544	6,378
Total non-derivatives financial liabilities	518,363	3,100	521,463	521,297
As at 31 December 2020				
Non-derivatives financial liabilities				
Trade and other payables	500,561	-	500,561	500,561
Short-term borrowings	359,481	-	359,481	359,481
Lease liabilities	2,942	5,217	8,159	7,255
Total non-derivatives financial liabilities	862,984	5,217	868,201	867,297

6.2 Capital risk management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

7 Fair value

The following table presents financial assets and liabilities that are measured at fair value.

As at 31 December	Consolidated and Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht
Assets		
Foreign currency forward contracts (included in Other current assets)	543	58
Liabilities		
Foreign currency forward contracts (included in Other current liabilities)	(80)	(52)

Fair value of financial derivatives is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available by considering the fair value of financial derivatives by reference to market foreign exchange rate as of date of statement of financial position and discounted to present value to be fair value. The fair values are within level 2 of the fair value hierarchy.

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1 The fair value of financial instruments is based on the price at the financial statements date by reference to market with liquidity.
- Level 2 The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3 The fair value of financial instruments is not based on observable market data.

There was no transfer between such levels during the year.

Thai Union Feedmill Public Company Limited**Notes to the Financial Statements**

For the year ended 31 December 2021

Financial assets and financial liabilities are approximately to the carrying amounts as follows:

- Cash and cash equivalents, including restricted cash
- Trade and other receivables
- Short-term loans from financial institutions and related parties
- Trade and other payables

8 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 22.

9 Segment information

The Group's Management Team is the Group's chief of operating decision maker. Management has determined the operating segments based on the information reviewed by the Group's Management Team for the purpose of allocating resources and assessing performance.

For management purposes, the Group is organised into business units based on its products and services and have four reportable segments as follows:

- Shrimp feed products
- Fish feed products
- Livestock feed products
- Others

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. The Group measures segment performance based on gross profit on a consistent basis with that used to measure gross profit in the financial statements.

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

The following tables present revenue and gross profit information regarding the Group's operating segments.

	Consolidated financial statement				
	Shrimp feed products Thousand Baht	Fish feed products Thousand Baht	Livestock feed products Thousand Baht	Others Thousand Baht	Total Thousand Baht
For the year ended 31 December 2021					
Sales	2,395,616	1,795,516	446,037	135,935	4,773,104
Results					
Segment gross profit (loss)	386,955	130,023	22,717	(44,822)	494,873
Selling and administrative expenses (including impairment losses on trade and other receivables)					(342,005)
Other income (expenses), net					65,733
Operating profit					218,601
Finance costs					(8,765)
Profit before income tax					209,836
Income tax					(165)
Profit for the period					209,671
Timing of revenue recognition					
At a point in time	2,395,616	1,795,516	446,037	135,935	4,773,104
	Consolidated financial statement				
	Shrimp feed products Thousand Baht	Fish feed products Thousand Baht	Livestock feed products Thousand Baht	Others Thousand Baht	Total Thousand Baht
For the year ended 31 December 2020					
Sales	2,100,423	1,648,137	315,740	119,510	4,183,810
Results					
Segment gross profit (loss)	470,115	238,587	22,616	(37,024)	694,294
Selling and administrative expenses (including impairment losses on trade and other receivables)					(304,595)
Other income (expenses), net					65,168
Operating profit					454,867
Finance costs					(5,369)
Profit before income tax					449,498
Income tax					(39,068)
Profit for the period					410,430
Timing of revenue recognition					
At a point in time	2,100,423	1,648,137	315,740	119,510	4,183,810

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

Geographic information

Revenue from external customers is based on the location of the customers presented in the consolidated financial statements are as follows:

For the years ended 31 December	Consolidated financial statements	
	2021 Thousand Baht	2020 Thousand Baht
Revenue from external customers		
Thailand	4,415,452	4,054,794
Pakistan	157,220	-
Others	200,432	129,016
Total revenue from external customers	4,773,104	4,183,810

Major customer

During the year ended 31 December 2021 and 2020, the Group had no customer with revenues of 10 percent or more of the Group's revenue.

10 Financial assets and financial liabilities

The Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below.

	Consolidated financial statements		Separate financial statements	
	FVPL Thousand Baht	Amortised cost Thousand Baht	FVPL Thousand Baht	Amortised cost Thousand Baht
As at 31 December 2021				
Financial assets				
Cash and cash equivalents	-	346,378	-	332,334
Short-term investment	-	200,000	-	200,000
Trade and other receivables, net	-	640,534	-	577,706
Other current assets	543	-	543	-
Other non-current assets	-	2,595	-	251
Financial liabilities				
Trade and other payables	-	563,835	-	514,919
Other current liabilities	80	-	80	-
Long-term loans from financial institutions	-	199,750	-	-
Lease liabilities	-	13,581	-	6,378
As at 31 December 2020				
Financial assets				
Cash and cash equivalents	-	119,265	-	8,817
Trade and other receivables, net	-	527,234	-	527,233
Other current assets	58	-	58	-
Other non-current assets	-	186	-	185
Financial liabilities				
Short-term loans from financial institutions	-	359,481	-	359,481
Trade and other payables	-	501,087	-	500,561
Other current liabilities	52	-	52	-
Lease liabilities	-	7,255	-	7,255

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

11 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
As at 31 December				
Cash on hand	782	634	581	633
Current and savings accounts	245,596	118,631	231,753	8,184
Fixed deposit	100,000	-	100,000	-
Total cash and cash equivalents	346,378	119,265	332,334	8,817

As at 31 December 2021, cash and cash equivalents are mostly deposits at banks, which bear interest rates between 0.05% per annum and 0.30% per annum (2020: between 0.05% per annum and 0.13% per annum).

As at 31 December 2021, the Group had fixed deposits of Baht 300 million bearing interest at 0.30 - 0.32 % per annum. Fixed deposits presented as part of cash equivalents of Baht 100 million are fixed deposit due within 3 months. For the Baht 200 million fixed deposit, it will be due to May 2022, which the Group classifies as short-term investment in the statement of financial position as at 31 December 2021.

12 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
As at 31 December				
Trade receivables	746,470	624,538	682,167	624,538
<u>Less</u> Loss allowance for trade receivables	(115,564)	(105,343)	(114,125)	(105,343)
Trade receivables, net	630,906	519,195	568,042	519,195
Other receivables - third parties	294	6	251	5
Accrued income - a related party (Note 31)	9,334	8,027	9,413	8,027
Accrued income - third parties	-	6	-	6
Prepaid expenses	6,771	7,115	6,522	7,000
Tax coupons	354	523	354	523
Advance payments - third parties	6,776	3,066	2,810	3,066
Advance payments - a related party (Note 31)	3,413	-	-	-
Total trade and other receivables, net	657,848	537,938	587,392	537,822

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

Outstanding trade receivables can be analysed as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
<u>Trade receivables - third parties</u>				
Not yet due	309,507	280,016	294,573	280,016
Up to 3 months	192,372	178,040	151,360	178,040
3 - 6 months	82,740	40,413	75,159	40,413
6 - 12 months	39,534	7,789	38,758	7,789
Over 12 months	95,612	90,184	95,612	90,184
	719,765	596,442	655,462	596,442
<u>Less</u> Loss allowance for trade receivables	(115,060)	(103,906)	(113,621)	(103,906)
	604,705	492,536	541,841	492,536
<u>Trade receivables - related parties (Note 31)</u>				
Not yet due	17,858	18,018	17,858	18,018
Up to 3 months	8,847	2,825	8,847	2,825
3 - 6 months	-	7,253	-	7,253
	26,705	28,096	26,705	28,096
<u>Less</u> Loss allowance for trade receivables	(504)	(1,437)	(504)	(1,437)
	26,201	26,659	26,201	26,659
Trade receivables, net	630,906	519,195	568,042	519,195

The average credit term of trade receivables third parties and related parties were 64 days and 38 days, respectively (2020: 38 days and 35 days, respectively). Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

On that basis, the allowance for impairment loss as at 31 December 2021 was determined as follows for trade receivables:

	Consolidated financial statements			
	As at 31 December 2021		As at 31 December 2020	
	Gross carrying amount of trade receivables Thousand Baht	Loss allowance Thousand Baht	Gross carrying amount of trade receivables Thousand Baht	Loss allowance Thousand Baht
Not yet due	327,365	(1,527)	298,035	(1,432)
1 - 30 days past due	119,905	(1,631)	84,464	(996)
31 - 60 days past due	50,444	(1,310)	52,646	(1,304)
61 - 90 days past due	30,870	(2,514)	43,755	(4,590)
91 - 120 days past due	23,954	(2,028)	27,846	(3,503)
121 - 180 days past due	58,786	(8,582)	19,819	(2,973)
181 - 365 days past due	39,534	(16,538)	7,789	(3,313)
Over 365 days past due	95,612	(81,434)	90,184	(87,232)
Total	746,470	(115,564)	624,538	(105,343)

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	Separate financial statements			
	As at 31 December 2021		As at 31 December 2020	
	Gross carrying amount of trade receivables Thousand Baht	Loss allowance Thousand Baht	Gross carrying amount of trade receivables Thousand Baht	Loss allowance Thousand Baht
Not yet due	312,431	(1,527)	298,035	(1,432)
1 - 30 days past due	90,282	(1,334)	84,464	(996)
31 - 60 days past due	41,914	(1,140)	52,646	(1,304)
61 - 90 days past due	28,011	(2,400)	43,755	(4,590)
91 - 120 days past due	21,094	(1,913)	27,846	(3,503)
121 - 180 days past due	54,065	(8,110)	19,819	(2,973)
181 - 365 days past due	38,758	(16,267)	7,789	(3,313)
Over 365 days past due	95,612	(81,434)	90,184	(87,232)
Total	682,167	(114,125)	624,538	(105,343)

The allowance for impairment loss of trade receivables can be reconciled as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening book value	(105,343)	(101,429)	(105,343)	(101,429)
Increase in loss allowance recognised in profit or loss during the year	(13,094)	(4,880)	(11,635)	(4,880)
Receivables written off during the year as uncollectible	2,853	966	2,853	966
Exchange differences on translation	20	-	-	-
Closing book value	(115,564)	(105,343)	(114,125)	(105,343)

13 Inventories, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Finished goods, net	144,502	158,680	144,444	158,680
Raw materials	295,906	235,546	280,895	235,546
Ingredients and packaging, net	15,057	8,800	14,924	8,800
Goods in transits	9,272	56,961	9,272	56,961
Work in process	66	-	-	-
Spare parts and supplies	22,279	37,982	21,041	37,982
Total inventories, net	487,082	497,969	470,576	497,969

As at 31 December 2021, the Group and the Company provided allowance for net realisable value and allowance for obsolete inventory in the financial statements in the amount of Baht 30.62 million and Baht 30.29 million, respectively (2020: Baht 30.93 million).

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

14 Investment in subsidiaries using cost method

Details of the investment in subsidiaries are as follows:

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Paid-up capital		Shareholding percentage		Cost method	
			31 December 2021	31 December 2020	31 December 2021 %	31 December 2020 %	31 December 2021 Thousand Baht	31 December 2020 Thousand Baht
PT Thai Union Kharisma Lestari (TUKL)	Manufacture and distribution of aqua animal feeds	Indonesia	199,920 million Rupiah	199,920 million Rupiah	65	65	302,149	302,149
AMG-Thai Union Feedmill (Private) Limited (AMG-TFM)	Manufacture and distribution of aqua animal feeds	Pakistan	300 million Pakistan Rupee	-	51	-	30,971	-
							333,120	302,149

The movement of an investment in subsidiaries during the year are as follows:

For the year ended 31 December	Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht
Opening book value	302,149	205,056
Additions	30,971	97,093
Closing book value	333,120	302,149

In January 2021, the Company entered into the Shareholder Agreement to invest 51% of shares of AMG-TFM which is incorporated in Pakistan with the registered share of Pakistan Rupee 340 million. The Company paid up to AMG-TFM for share capital of Pakistan Rupee 153 million, equivalent to Baht 30.9 million and has a final payment due paid to AMG-TFM for share capital of Pakistan Rupee 20.4 million in the first quarter of 2022. AMG-TFM has already started operation since April 2021.

As at 31 December 2021, TUKL has not yet begun to operate and is in the process of building construction for its operation. The advance payments for purchases of machinery and equipment of Baht 9.92 million had been reclassified as other non-current assets (2020: Baht 12.98 million).

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

15 Property, plant and equipment, net

	Consolidated financial statement					
	Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January 2020						
Cost	328,851	622,518	1,324,684	44,985	25,543	22,692
Less Accumulated depreciation	(26,382)	(311,904)	(846,838)	(32,912)	(24,095)	-
Allowance for impairment	-	-	(28,339)	-	-	-
Net book amount	302,469	310,614	449,507	12,073	1,448	22,692
For the year ended 31 December 2020						
Opening net book amount	302,469	310,614	449,507	12,073	1,448	22,692
Additions	14,104	-	27,235	5,116	3,330	261,915
Disposals, net	-	-	(1,302)	(109)	-	-
Write-off, net	-	-	(86)	-	-	-
Transfer in (out)	3,412	20,735	159,696	886	-	(184,729)
Depreciation charge	(3,316)	(25,050)	(87,450)	(6,760)	(1,126)	-
Reversal of impairment loss	-	-	191	-	-	-
Exchange differences on translation	(3,264)	-	-	(1)	-	330
Closing net book amount	313,405	306,299	547,791	11,205	3,652	100,208
As at 31 December 2020						
Cost	343,102	643,253	1,484,304	45,704	28,806	100,208
Less Accumulated depreciation	(29,697)	(336,954)	(910,005)	(34,499)	(25,154)	-
Allowance for impairment	-	-	(26,508)	-	-	-
Net book amount	313,405	306,299	547,791	11,205	3,652	100,208

1,282,560

2,645,377

(1,336,309)

(26,508)

Thai Union Feedmill Public Company Limited
 Notes to the Financial Statements
 For the year ended 31 December 2021

	Consolidated financial statement												
	Buildings and building improvements				Machinery and equipment		Furniture, fixtures and office equipment		Vehicles		Assets under construction		Total Thousand Baht
	Land and land improvement Thousand Baht		Thousand Baht		Thousand Baht		Thousand Baht		Thousand Baht		Thousand Baht		
As at 1 January 2021													
Cost	343,102		643,253		1,484,304		45,704		28,806		100,208		2,645,377
<u>Less</u> Accumulated depreciation	(29,697)		(336,954)		(910,005)		(34,499)		(25,154)		-		(1,336,309)
Allowance for impairment	-		-		(26,508)		-		-		-		(26,508)
Net book amount	313,405		306,299		547,791		11,205		3,652		100,208		1,282,560
For the year ended 31 December 2021													
Opening net book amount	313,405		306,299		547,791		11,205		3,652		100,208		1,282,560
Additions	77		340		47,249		3,826		328		328,953		380,773
Disposals, net	-		-		(3,089)		(7)		(25)		-		(3,121)
Write-off, net	-		-		-		(130)		-		-		(130)
Transfer in (out)	2,226		5,248		15,252		3,314		-		(26,040)		-
Depreciation charge	(4,263)		(25,929)		(105,006)		(5,958)		(1,184)		-		(142,340)
Reversal of impairment loss	-		-		2,340		-		-		-		2,340
Reclassification	-		-		963		-		-		23,400		24,363
Exchange differences on translation	20,035		-		(1,975)		36		(2)		24,937		43,031
Closing net book amount	331,480		285,958		503,525		12,286		2,769		451,458		1,587,476
As at 31 December 2021													
Cost	365,440		648,841		1,513,509		51,955		20,969		451,458		3,052,172
<u>Less</u> Accumulated depreciation	(33,960)		(362,883)		(985,816)		(39,669)		(18,200)		-		(1,440,528)
Allowance for impairment	-		-		(24,168)		-		-		-		(24,168)
Net book amount	331,480		285,958		503,525		12,286		2,769		451,458		1,587,476



Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	Separate financial statement					
	Land and land improvement		Buildings and building improvements		Machinery and equipment	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January 2020						
Cost	128,799	622,518	1,324,684	44,798	25,543	2,164,166
Less Accumulated depreciation	(26,381)	(311,904)	(846,838)	(32,878)	(24,095)	(1,242,096)
Allowance for impairment	-	-	(28,339)	-	-	(28,339)
Net book amount	102,418	310,614	449,507	11,920	1,448	893,731
For the year ended 31 December 2020						
Opening net book amount	102,418	310,614	449,507	11,920	1,448	893,731
Additions	6,713	-	27,235	5,076	3,330	216,487
Disposals, net	-	-	(1,302)	(109)	-	(1,411)
Write-off, net	-	-	(86)	-	-	(86)
Transfer in (out)	3,412	20,735	159,696	886	-	-
Depreciation charge	(3,316)	(25,050)	(87,450)	(6,706)	(1,126)	(123,648)
Reversal of impairment loss	-	-	191	-	-	191
Closing net book amount	109,227	306,299	547,791	11,067	3,652	985,264
As at 31 December 2020						
Cost	138,924	643,253	1,484,304	45,480	28,806	2,347,995
Less Accumulated depreciation	(29,697)	(336,954)	(910,005)	(34,413)	(25,154)	(1,336,223)
Allowance for impairment	-	-	(26,508)	-	-	(26,508)
Net book amount	109,227	306,299	547,791	11,067	3,652	985,264

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	Separate financial statement							
	Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
As at 1 January 2021								
Cost	138,924	643,253	1,484,304	45,480	28,806	7,228	2,347,995	
Less Accumulated depreciation	(29,697)	(336,954)	(910,005)	(34,413)	(25,154)	-	(1,336,223)	
Allowance for impairment	-	-	(26,508)	-	-	-	(26,508)	
Net book amount	109,227	306,299	547,791	11,067	3,652	7,228	985,264	
For the year ended 31 December 2021								
Opening net book amount	109,227	306,299	547,791	11,067	3,652	7,228	985,264	
Additions	77	340	13,029	1,688	286	59,843	75,263	
Disposals, net	-	-	(3,089)	(7)	(25)	-	(3,121)	
Write-off, net	-	-	-	(130)	-	-	(130)	
Transfer in (out)	2,226	5,248	15,252	3,314	-	(26,040)	-	
Depreciation charge	(4,263)	(25,929)	(103,319)	(5,814)	(1,178)	-	(140,503)	
Reversal of impairment loss	-	-	2,340	-	-	-	2,340	
Reclassification	-	-	963	-	-	23,400	24,363	
Closing net book amount	107,267	285,958	472,967	10,118	2,735	64,431	943,476	
As at 31 December 2021								
Cost	141,227	648,841	1,481,346	49,546	20,930	64,431	2,406,321	
Less Accumulated depreciation	(33,960)	(362,883)	(984,211)	(39,428)	(18,195)	-	(1,438,677)	
Allowance for impairment	-	-	(24,168)	-	-	-	(24,168)	
Net book amount	107,267	285,958	472,967	10,118	2,735	64,431	943,476	

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

Depreciation recognised in profit and loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
For the years ended 31 December				
Cost of sales	134,733	115,430	133,062	115,430
Selling expenses	109	71	109	71
Administrative expenses	7,498	8,201	7,332	8,147
Total depreciation expenses	142,340	123,702	140,503	123,648

As at 31 December 2021, property, plant and equipment of an overseas subsidiary totaling IDR 100,000 million, equivalent to Baht 235 million (2020: none) were pledged with financial institutions to secure their credit facilities and long-term loans from financial institutions (Note 21).

16 Right-of-use assets, net and Lease liabilities, net

The statement of financial position included following transactions relating to leases.

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
As at 31 December				
Right-of-use assets - carrying amount				
Land and land improvements	4,127	5,037	4,127	5,037
Buildings and building improvements	7,018	1,702	1,150	1,702
Furniture, fixtures and office equipment	789	776	789	776
Vehicles	2,962	29	1,400	29
Total right-of-use assets	14,896	7,544	7,466	7,544
Lease liabilities				
Current	4,851	2,686	2,774	2,686
Non-current	8,730	4,569	3,604	4,569
Total lease liabilities	13,581	7,255	6,378	7,255

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

Transactions recognised in the financial statements relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
For the years ended 31 December	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Depreciation charge of right-of-use assets				
Land and land improvements	(2,434)	(1,932)	(2,434)	(1,932)
Buildings and building improvements	(2,000)	(366)	(553)	(366)
Furniture, fixtures and office equipment	(386)	(397)	(386)	(397)
Vehicles	(353)	(510)	(343)	(510)
Total depreciation charge of right-of-use assets	(5,173)	(3,205)	(3,716)	(3,205)
Additions to the right-of-use assets during the year	13,151	2,069	3,772	2,069
Total cash outflows for leases	6,620	2,958	4,816	2,958
Finance cost relating to right-of-use assets	450	330	304	330
Expenses relating to short-term leases (included in cost of sales and administrative expenses)	1,445	299	134	97
Expenses relating to leases of low-value assets that are not shown above as short-term leases (included in cost of sales and administrative expenses)	46	30	46	30

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

17 Intangible assets, net

	Consolidated financial statements		
	Trademarks Thousand Baht	Computer software Thousand Baht	Total Thousand Baht
As at 1 January 2020			
Cost	20,000	19,380	39,380
<u>Less</u> Accumulated amortisation	(18,934)	(15,962)	(34,896)
Net book amount	1,066	3,418	4,484
For the year ended 31 December 2020			
Opening net book amount	1,066	3,418	4,484
Additions	-	5,579	5,579
Amortisation charge	(1,066)	(3,222)	(4,288)
Closing net book amount	-	5,775	5,775
As at 31 December 2020			
Cost	20,000	16,213	36,213
<u>Less</u> Accumulated amortisation	(20,000)	(10,438)	(30,438)
Net book amount	-	5,775	5,775
For the year ended 31 December 2021			
Opening net book amount	-	5,775	5,775
Additions	-	433	433
Reclassification	-	360	360
Amortisation charge	-	(3,131)	(3,131)
Exchange differences on translation	-	(2)	(2)
Closing net book amount	-	3,435	3,435
As at 31 December 2021			
Cost	20,000	17,004	37,004
<u>Less</u> Accumulated amortisation	(20,000)	(13,569)	(33,569)
Net book amount	-	3,435	3,435

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

	Separate financial statements		
	Trademarks Thousand Baht	Computer software Thousand Baht	Total Thousand Baht
As at 1 January 2020			
Cost	20,000	19,380	39,380
<u>Less</u> Accumulated amortisation	(18,934)	(15,962)	(34,896)
Net book amount	1,066	3,418	4,484
For the year ended 31 December 2020			
Opening net book amount	1,066	3,418	4,484
Additions	-	5,579	5,579
Amortisation charge	(1,066)	(3,222)	(4,288)
Closing net book amount	-	5,775	5,775
As at 31 December 2020			
Cost	20,000	16,213	36,213
<u>Less</u> Accumulated amortisation	(20,000)	(10,438)	(30,438)
Net book amount	-	5,775	5,775
For the year ended 31 December 2021			
Opening net book amount	-	5,775	5,775
Additions	-	302	302
Reclassification	-	360	360
Amortisation charge	-	(3,118)	(3,118)
Closing net book amount	-	3,319	3,319
As at 31 December 2021			
Cost	20,000	16,875	36,875
<u>Less</u> Accumulated amortisation	(20,000)	(13,556)	(33,556)
Net book amount	-	3,319	3,319

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

	Consolidated financial statements		Separate financial statements	
For the years ended 31 December	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Selling expenses	-	1,067	-	1,067
Administrative expenses	3,131	3,221	3,118	3,221
Total amortisation expenses	3,131	4,288	3,118	4,288

As at 31 December 2021 and 2020, the Group had no intangible assets pledged for credit facilities.

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

18 Deferred income taxes

Deferred tax assets and liabilities are detailed as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
As at 31 December				
Deferred tax assets	19,346	22,366	16,842	22,366
Deferred tax liabilities	(8,444)	(4,801)	(4,702)	(4,801)
Deferred tax assets, net	10,902	17,565	12,140	17,565

The gross movement of deferred income taxes is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
As at 1 January	17,565	28,992	17,565	28,992
Credited to profit or loss	(6,885)	(11,427)	(5,624)	(11,427)
Increase to other comprehensive income	199	-	199	-
Exchange differences on translation	23	-	-	-
As at 31 December	10,902	17,565	12,140	17,565

The reconciliation of deferred tax assets and liabilities in the statements of financial position is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
As at 31 December				
Deferred tax assets, net	12,144	17,565	12,140	17,565
Deferred tax liabilities, net	(1,242)	-	-	-
Deferred tax assets, net	10,902	17,565	12,140	17,565

Thai Union Feedmill Public Company Limited
 Notes to the Financial Statements
 For the year ended 31 December 2021

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements									
	Credited/(charged) to					Credited/(charged) to				
	As at		Other comprehensive income			As at		Other comprehensive income		
	1 January	31 December	Profit and loss	Other	31 December	Profit and loss	Other	Profit and loss	Other	31 December
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deferred tax assets										
Loss allowance for trade receivables	4,887	-	5,074	-	9,961	916	-	-	-	10,869
Allowance for net realisable value of inventories	1,373	-	629	-	2,002	(1,268)	-	-	-	732
Allowance for impairment of machinery and equipment	1,754	-	(566)	-	1,188	(566)	-	-	-	622
Lease liabilities	-	-	-	-	-	3,011	-	-	(32)	2,979
Employee benefit obligations	7,166	-	2,049	-	9,215	(5,559)	199	-	-	3,855
Others	-	-	-	-	-	294	-	-	(5)	289
Tax loss carried forward	16,557	-	(16,557)	-	-	-	-	-	-	-
Total	31,737	-	(9,371)	-	22,366	(3,172)	199	(47)	-	19,346
Deferred tax liabilities										
Depreciation of property, plant and equipment	(2,745)	-	(2,056)	-	(4,801)	(573)	-	40	-	(5,334)
Right-of-use assets	-	-	-	-	-	(3,140)	-	30	-	(3,110)
Total	(2,745)	-	(2,056)	-	(4,801)	(3,713)	-	70	-	(8,444)
Deferred tax assets (liabilities), net	28,992	-	(11,427)	-	17,565	(6,885)	199	23	-	10,902

	Separate financial statements					
	Credited/(charged) to			Credited/(charged) to		
	As at	Other		As at	Other	
	1 January 2020 Thousand Baht	Profit and loss Thousand Baht	comprehensive income Thousand Baht	31 December 2020 Thousand Baht	Profit and loss Thousand Baht	comprehensive income Thousand Baht
Deferred tax assets						
Loss allowance for trade receivables	4,887	5,074	-	9,961	491	-
Allowance for net realisable value of inventories	1,373	629	-	2,002	(1,364)	-
Allowance for impairment of machinery and equipment	1,754	(566)	-	1,188	(566)	-
Lease liabilities	-	-	-	-	1,275	-
Employee benefit obligations	7,166	2,049	-	9,215	(5,559)	199
Tax loss carried forward	16,557	(16,557)	-	-	-	-
Total	31,737	(9,371)	-	22,366	(5,723)	199
Deferred tax liabilities						
Depreciation of property, plant and equipment	(2,745)	(2,056)	-	(4,801)	1,592	-
Right-of-use assets	-	-	-	-	(1,493)	-
Total	(2,745)	(2,056)	-	(4,801)	99	-
Deferred tax assets (liabilities), net	28,992	(11,427)	-	17,565	(5,624)	199

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

19 Short-term loans from financial institutions

As at 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Short-term loans	-	332,100	-	332,100
Trust receipts and packing credits	-	27,381	-	27,381
Total short-term loans from financial institutions	-	359,481	-	359,481

20 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Trade payable - third parties	383,538	324,698	354,486	324,698
Trade payable - related parties (Note 31)	36,850	46,055	36,850	46,055
Other payable - related parties (Note 31)	3,748	20	3,748	20
Accrued expenses and other payables	128,394	118,813	108,531	118,287
Deposits and unearned revenue	13,128	6,301	13,128	6,301
Construction and equipment purchase payables	11,304	11,501	11,304	11,501
Total trade and other payables	576,962	507,388	528,047	506,862

21 Long-term loan from a financial institution, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Current portion of long-term loan from a financial institution, net	5,875	-	-	-
Non-current portion of long-term loan from a financial institution, net	193,875	-	-	-
Total long-term loan from a financial institution, net	199,750	-	-	-

The movements of long-term loan from a financial institution during the year are:

For the year ended 31 December 2021

	Consolidated Financial statement Thousand Baht
Opening balance	-
Addition	191,000
Exchange differences on translation	8,750
Closing balance	199,750

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

On 7 April 2021, PT Thai Union Kharisma Lestari (TUKL) entered into a long-term loan agreement with a financial institution in Indonesia, with credit facilities totaling 100,000 million Rupiah bearing floated interest rate minus 4.05% per annum below reference rate from financial institution to finance building construction and machinery purchase purposes which will be due for repayment in 2026. This loan was secured against bank guarantee issued by the Company and the Group's land and building. The subsidiary is subject to certain financial covenant including limitations on indebtedness, leases and capital expenditures, distributions, and dividend payments.

On 28 April 2021, the subsidiary first drew down such a loan amounting to 45,000 million rupiah equivalent to Baht 99 million and On 1 September 2021, the subsidiary second drew down such a loan amounting to 40,000 million rupiah equivalent to Baht 92 million bearing an average interest rate during the period of 8.6% per annum.

The fair value of long-term loan is close to the book value since interest rates are calculated from the floated rates, which represent the market rate.

Borrowing facilities

The Group had the following unused overdraft lines from financial institutions and other unsecured credit facilities from financial institutions:

As at 31 December	Consolidated financial statements	
	2021	2020
Baht	1,600 million	1,293 million
Rupiah	15,000 million	-

22 Employee benefit obligations

As at 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Liability in the statement of financial position				
- Employee benefit obligations	146,549	125,134	146,440	125,134
Profit or loss charge included in the statement of comprehensive income				
- Employee benefit obligations	16,960	13,604	16,850	13,604
Remeasurement for employee benefit obligations	7,553	-	7,553	-

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

Retirement benefits

The plans are final salary retirement plans, which provide benefits to members. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movement in the defined benefit obligations during the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January	125,134	126,840	125,134	126,840
Current service cost	11,807	11,693	11,697	11,693
Past service cost	3,073	-	3,073	-
Interest expense	2,080	1,911	2,080	1,911
	142,094	140,444	141,984	140,444
Remeasurements:				
Gain from change in financial assumptions	(4,663)	-	(4,663)	-
Experience Loss	12,216	-	12,216	-
	7,553	-	7,553	-
Transfer staff from related parties	388	-	388	-
Exchange differences on translation	(1)	-	-	-
Benefit payments	(3,485)	(15,310)	(3,485)	(15,310)
As at 31 December	146,549	125,134	146,440	125,134

The Group and the Company expect to pay Baht 11.22 million of employee benefit during the next year (2020: Baht 17.52 million).

As at 31 December 2021, the weighted average durations of the liabilities for retirement benefits for the Group and the Company are 10.7 years (2020: 12.10 years).

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate (%)	0.49 - 3.55	1.19 - 2.52	0.49 - 3.55	1.19 - 2.52
Salary growth rate (%)	2.00 - 5.00	3.00 - 6.00	2.00 - 5.00	3.00 - 6.00

Consolidated and Separate financial statements				
Impact on defined benefit obligation				
Increase in assumption by 1%		Decrease in assumption by 1%		
2021	2020	2021	2020	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Discount rate	(12,408)	(11,574)	13,792	13,469
Salary growth rate	13,749	14,229	(12,172)	(12,459)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, at the end of the year, the same method has been applied as when calculating the employee benefit obligation recognised within the statement of financial position.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

23 Share capital

	Consolidated and Separate financial statements				
	Authorised Share capital		Issued and paid-up Share capital		Share premium
	Number of shares Thousand Shares	Ordinary shares Thousand Baht	Number of shares Thousand Shares	Ordinary shares Thousand Baht	Amount Thousand Baht
As at 1 January 2020	500,000	1,000,000	410,000	820,000	820,000
Proceeds from shares issued	-	-	-	-	-
As at 31 December 2020	500,000	1,000,000	410,000	820,000	-
Proceeds from shares issued	-	-	90,000	180,000	1,035,000
Cost of share issuance, net of tax	-	-	-	-	(28,141)
As at 31 December 2021	500,000	1,000,000	500,000	1,000,000	1,006,859

On 26 October 2021, the Company received an additional paid-up share capital for 90,000,000 ordinary shares with a par value of Baht 2 per share from an initial public offering ("IPO") at IPO price of Baht 13.50 per share, totaling Baht 1,215 million. The Company registered this additional paid-up share capital with the Department of Business Development on 26 October 2021. The Company's shares traded in the Stock Exchange of Thailand commencing on 29 October 2021.

The Company recorded cost of issuing ordinary shares amounting to Baht 28 million net with additional paid-up share capital.

24 Dividends

On 30 July 2020, the Board of Director's meeting passed a resolution to approve the payment of interim dividend of Baht 0.3 per share to the Company's shareholders totaling Baht 123 million. The dividend was paid on 21 August 2020.

On 1 April 2021, Annual General Meeting of Shareholders passed a resolution to approve a dividend in respect of the Company's net profit for the year 2020 of Baht 0.3 per share totaling Baht 123 million. The Company paid dividend to shareholders on 20 April 2021.

On 5 August 2021, the Board of Directors' meeting of the Company passed a resolution to approve an interim dividend payment of Baht 1 per share to the Company's shareholders totaling Baht 410 million. The dividend was paid on 3 September 2021.

25 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
As at 1 January	100,000	100,000	100,000	100,000
Appropriation during the year	-	-	-	-
As at 31 December	100,000	100,000	100,000	100,000

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution.

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

26 Other income

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
For the years ended 31 December				
Royalty fees	47,106	37,760	47,106	37,760
Other income	13,749	22,896	13,312	21,292
Total other income	60,855	60,656	60,418	59,052

27 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
For the years ended 31 December				
Changes in finished goods and work in process	14,995	(48,029)	15,118	(48,029)
Raw materials and consumables used and purchase of finished goods	3,668,403	2,997,580	3,546,359	2,997,580
Allowance for diminution in value of inventories	(310)	963	(639)	963
Employee expenses	320,311	317,593	311,310	316,043
Depreciation on property, plant and equipment (Note 15)	142,340	123,702	140,503	123,648
Depreciation on right-of-use assets (Note 16)	5,173	3,205	3,716	3,205
Amortisation on intangible assets (Note 17)	3,131	4,288	3,118	4,288
Reversal of allowance for impairment of property, plant and equipment (Note 15)	(2,340)	(191)	(2,340)	(191)
Research and development expenses	8,349	24,184	8,349	24,184

28 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
For the years ended 31 December				
Current tax:				
Current tax on profit for the year	6,409	27,217	3,896	27,217
Adjustments in respect of prior year	(13,129)	424	(13,129)	424
Total current tax	(6,720)	27,641	(9,233)	27,641
Deferred income tax:				
Decrease in deferred tax assets (Note 18)	3,172	9,371	5,723	9,371
Increase in deferred tax liabilities (Note 18)	(3,713)	2,056	(99)	2,056
Total deferred income tax	6,885	11,427	5,624	11,427
Total income tax expenses	165	39,068	(3,609)	39,068

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

The taxes on the Group's and the Company's profits before tax differ from the theoretical amounts that would arise using the basic tax rates of the Group and the Company as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Profit before tax	209,836	449,498	214,795	453,108
Tax calculated at tax rates of 20% - 29% (2020: 20% - 25%)	41,967	89,839	42,959	90,622
Tax effect of:				
Profit not subject to tax	(38,549)	(48,017)	(38,549)	(48,017)
Income not subject to tax	(1)	(356)	(1)	(9)
Expenses not deductible for tax purpose	624	759	624	686
Additional expenses deductible for tax purpose	(46)	(243)	(46)	(243)
Difference in overseas tax rate	892	-	-	-
Recognition of deferred tax assets from previously unrecognised tax losses	4,528	(4,395)	4,533	(4,395)
Tax losses for which no deferred tax assets was recognised	3,879	1,057	-	-
Adjustments in respect of prior year	(13,129)	424	(13,129)	424
Tax charge	165	39,068	(3,609)	39,068
Average effective tax rate (%)	0.08	8.69	(1.68)	8.62

The change in average corporate income tax rate was because of the approval of additional corporate income tax exemption by the BOI committee during the period, resulting in the reversal of accrued income tax for the net profit of the year 2020.

The tax charge relating to components of other comprehensive income is as follows:

For the years ended	Consolidated and Separate financial statements					
	31 December 2021			31 December 2020		
	Before tax Thousand Baht	Tax charge Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax charge Thousand Baht	After tax Thousand Baht
Gain (loss) on remeasurements of post-employment benefit obligations	(7,553)	199	(7,354)	-	-	-
Other comprehensive income (expenses)	(7,553)	199	(7,354)	-	-	-

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

29 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
For the years ended 31 December				
Net profit attributable to the owners of the parent (Thousand Baht)	211,498	411,694	218,404	414,040
Weighted average number of ordinary shares outstanding (Thousand shares)	425,397	410,000	425,397	410,000
Basic earnings per share (Baht per share)	0.50	1.00	0.51	1.01

There are no dilutive potential ordinary shares in issue during the year presented, so no diluted earnings per share is presented.

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the parent (excluding other comprehensive income/expenses) by the weighted average number of ordinary shares in issue during the year.

30 Change in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities are as follow:

	Consolidated financial statements				Separate financial statements		
	Short-term loan from financial institutions Thousand Baht	Accrued interest Thousand Baht	Lease liabilities Thousand Baht	Long-term loan from financial institutions Thousand Baht	Short-term loan from financial institutions Thousand Baht	Accrued interest Thousand Baht	Lease liabilities Thousand Baht
As at 1 January 2020	489,020	54	7,814	-	489,020	54	7,814
Cashflows	(129,539)	(5,065)	(2,958)	-	(129,539)	(5,065)	(2,958)
Non-cash changes:							
Finance cost	-	5,039	330	-	-	5,039	330
Additions	-	-	2,069	-	-	-	2,069
As at 31 December 2020	359,481	28	7,255	-	359,481	28	7,255
Cashflows	(359,481)	(6,028)	(6,620)	191,000	(359,481)	(4,416)	(4,816)
Non-cash changes:							
Finance cost	-	8,313	452	-	-	4,389	304
Additions	-	-	13,151	-	-	-	3,772
Termination of lease agreement	-	-	(137)	-	-	-	(137)
Exchange differences on translation	-	-	(520)	8,750	-	-	-
As at 31 December 2021	-	2,313	13,581	199,750	-	-	6,378

Thai Union Feedmill Public Company Limited
Notes to the Financial Statements

For the year ended 31 December 2021

31 Related party transactions

The following significant transactions and balances were carried out with related parties:

i) Sales

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Revenue from sales				
Parent company	48,150	6,934	48,150	6,934
Subsidiaries	-	-	672	-
Companies under common control	80,790	84,759	80,790	84,759
Director's related persons and companies	76,249	119,882	76,249	119,882
	205,189	211,575	205,861	211,575
Other income				
Parent company	258	1,051	258	1,051
Subsidiaries	-	-	163	-
Companies under common control	48,682	41,175	48,682	41,175
	48,940	42,226	49,103	42,226
Gain on disposal of assets				
Parent company	14	-	14	-
	14	-	14	-

ii) Purchases of goods and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Purchases of goods and services				
Parent company	44,667	51,685	44,667	51,685
Companies under common control	257,960	234,451	257,960	234,451
Director's related persons and companies	1,166	249	1,166	249
	303,793	286,385	303,793	286,385

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

iii) Outstanding balances arising from sales and purchases of goods, fixed assets and services

As at 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Trade receivables - related parties				
Parent company	58	2,260	58	2,260
Companies under common control	12,888	18,884	12,888	18,884
Director's related persons and companies	13,255	5,515	13,255	5,515
	26,201	26,659	26,201	26,659
Advance payment - a related party				
Companies under common control	3,413	-	-	-
Other non current assets				
Parent company	388	-	388	-
Accrued income				
Subsidiaries	-	-	79	-
Companies under common control	9,334	8,027	9,334	8,027
	9,334	8,027	9,413	8,027
Prepaid expenses				
Companies under common control	4,209	4,031	4,209	4,031
Trade payables - related parties				
Parent company	8,644	16,449	8,644	16,449
Companies under common control	28,206	29,606	28,206	29,606
	36,850	46,055	36,850	46,055
Other payables - related parties				
Companies under common control	3,748	20	3,748	20

iv) Outstanding balances arising from lease liabilities

As at 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Lease liabilities - related parties				
Parent company	-	485	-	485
Companies under common control	2,990	4,425	2,990	4,425
	2,990	4,910	2,990	4,910

v) Directors and key management remuneration

The compensation paid or payable to directors and key management is shown below:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Short-term employee benefits	31,705	26,375	27,874	26,375
Post-employment benefits	1,960	1,616	1,960	1,616
	33,665	27,991	29,834	27,991

Thai Union Feedmill Public Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

32 Commitments

32.1 Capital expenditure commitments

The Group and the Company had capital commitments which were not recognised in the financial statements as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Land, building and machine purchase agreement	Baht 1 million US Dollar 0.1 million Rupiah 13,817 Million	- US Dollar 1.4 million Rupiah 60,413 million Euro 0.3 million Swiss Franc 0.1 million	Baht 1 million US Dollar 0.01 million	-

32.2 Guarantees

- As at 31 December 2021, there were outstanding bank guarantees of Baht 11.77 million (2020: Baht 11.94 million) issued on behalf of the Company in the normal course of business.
- As at 31 December 2021, there was a corporate guarantee of US Dollar 7.7 million (2020: none) issued on behalf of the Company to secure credit facilities of its subsidiary.

33 Promotional privileges

The Company received promotional privileges from the Office of the Board of Investment ("BOI") for the production of processed and semi-processed food in seal containers, ready-to-eat frozen meals, frozen aquatic animals and pet food in seal containers. Under these privileges, the Company has received exemption from certain taxes and duties as detailed in the certificate including exemption from corporate income tax for a period of 8 years from the date of commencement of earning promoted revenue. The tax privileges will be expired during the year 2022 and 2024. As a promoted industry, the Company is required to comply with the terms and conditions as specified in the promotional certificates.

For the years ended 31 December	BOI promoted activities				Separate financial statements	
	2021		2020		Total	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Domestic sales	3,798,502	2,677,342	616,950	1,377,452	4,415,452	4,054,794
Export sales	200,472	81,196	-	47,820	200,472	129,016
Total sales	3,998,974	2,758,538	616,950	1,425,272	4,615,924	4,183,810

34 Events after the reporting period

On 17 February 2022, the Board of Directors' meeting of the Company passed the resolution to propose to the Annual General Meeting of the Company that will be held in April 2022, to pay a dividend of Baht 485 million from its net operating profit for the year 2021. However, by the resolution of the Company's Board of Directors held on 5 August 2021, the Company paid out the interim dividend from operating profit for the six-month period ended 30 June 2021 of Baht 1 per share for 410 million shares, totaling Baht 410 million to the Company's shareholders on 3 September 2021. The remaining dividend of Baht 0.15 per share for 500 million shares, totaling Baht 75 million will be paid on 19 April 2022.

Attachment 1

Summary of Profile of the Directors, Managements Team, Controlling Person, Person Taking the Highest Responsibility in Finance and Accounting (CFO), Person Supervising Accounting and Company Secretary

Mr. Rittirong Boonmechote (Age 59 years)

Chairman of the Board of Directors / Chairman of the Executive Committee (Authorized director)

Appointment Date

29 June 2000

Education

- Bachelor Degree of Business Administration Management, Bangkok University

Trainings of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) Class 138/2010
- TLCA Executive Development Program Class 2/2009
- Capital Market Academy Class 25/2017
- Advanced Master of Management Program Class 1/2018
- Thailand Energy Academy (TEA)'s Executive Program in Energy Literacy Class 14/2019
- Executive Program in Judicial Administration Class 25

Shareholding Ratio* (%)

Himself 11.84% and spouse 0.90%

Relationship Between Directors and Management

-

Working Experience

- **2000 - Present**
Chairman of the Board of Directors / Chairman of the Executive Committee
Thai Union Feedmill Public Company Limited
(Manufacturer and distributor of animal feeds)

Other Listed Companies

- **1998 - Present**
Director / President, Global Frozen and Related Unit
Thai Union Group Public Company Limited (Process frozen seafood and canned food for domestic and international)

Other Non-Listed Companies

- **2018 - Present**
Director
Thammachart Seafood Retail Company Limited (Importer of seafood and seafood restaurant outlets)

- **2017 - Present**

Member of the Executive Committee
RBC Assets Company Limited (Property trading)

- **2016 - Present**

Director

- Thai Union Online Shop Company Limited (E-Commerce)
- Red Lobster Master Holdings LP. (USA) (Holding)
- Tai Wan Sheng Aquatic Trading (China) Company Limited (Marketing and Sales of seafood products)

- **2012 - Present**

Director / Chairman of the Executive Committee

- Pakfood Public Company Limited (Manufacturer & distributor of frozen foods & aquatic animals)
- Okeanos Food Company Limited (Manufacturer & distributor of frozen foods & aquatic animal)
- TMAC Company Limited (Investment in breeding farms, improvement of shrimp breeding and shrimp farming)
- Thai Union Hatchery Company Limited (White shrimp breeding development)

- **2012 - Present**

Director

- TCM Fishery Company Limited (Operating shrimp farming)
- TMK Farm Company Limited (Operating shrimp farming)

- **1997 - Present**

Director
Tri-Union Frozen Products, Inc. (USA) (Importer and distributor of frozen seafood)

- **1996 - Present**

Director / Chairman of the Executive Committee
Thai Union Seafood Company Limited (Manufacturer & exporter of frozen shrimp)

Note:

* Shareholding information as of 31 December 2021

Mr. Thiraphong Chansiri (Age 56 years)

Director / Member of the Executive Committee (Authorized director)

Appointment Date

29 June 2000

Education

- Bachelor Degree of Business Administration, Assumption University, Thailand
- Master Degree of Business Administration (Management), University of San Francisco, USA

Trainings of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) Class 10/2001

Shareholding Ratio* (%)

Himself 0.65%

Relationship Between Directors and Management

-

Working Experience

- **2000 - Present**
Director / Member of the Executive Committee
Thai Union Feedmill Public Company Limited
(Manufacturer and distributor of animal feeds)

Other Listed Companies

- **2021 - Present**
Director
SCG Packaging Public Company Limited (Holding Company)
- **2014 - Present**
Director
Minor International Public Company Limited
(Investment, food and hotel)
- **1990 - Present**
Director / Chief Executive Officer
Thai Union Group Public Company Limited (Process frozen seafood and canned food for domestic and international)

Other Non-Listed Companies

- **2021 - Present**
Director / Member of the Executive Committee
- Beam Data Company Limited (Hardware consulting)
- Interpharma-ZEAvita Company Limited (Manufacturing and distribution of supplement products)
- Thai Union Lifescience Company Limited (Manufacturing and distribution of supplement products)
- **2020 - Present**
Director / Member of the Executive Committee
- Thoon Thanasiri (Ayutthaya) Company Limited (Credit granting)
- Thoon Thanasiri (Rayong) Company Limited (Credit granting)
- Thoon Thanasiri (Patum Thani) Company Limited (Credit granting)
Director
Food and Beverage United Company Limited
(Manufacturer & distributor of food and beverage)
- **2019 - Present**
Director / Member of the Executive Committee
- Thoon Thanasiri (Samut Prakan) Company Limited (Credit granting)
- Thoon Thanasiri (Chonburi) Company Limited (Credit granting)
- Thai Union Ingredients Company Limited (Distributor of ingredients product)
- Thai Union Eaglewood Development Company Limited (Planting)
- **2018 - Present**
Director / Member of the Executive Committee
Thoon Thanasiri (Songkhla) Company Limited (Credit granting)

Note:

* Shareholding information as of 31 December 2021

- **2017 - Present**

Director / Member of the Executive Committee

- Thoon Thanasiri Company Limited (*Credit granting*)
- Thai Union Asia Investment Holding Limited (*Holding*)
- Thai Union Property Development Company Limited (*Real estate*)

- **2016 - Present**

Director

Red Lobster Master Holdings LP. (USA) (*Holding*)

Member of the Executive Committee

Tai Wan Sheng Aquatic Trading (China) Company Limited (*Marketing and Sales of seafood products*)

Director / Member of the Executive Committee

Pracharath Rak Samakkee Samut Sakhon (Social Enterprise) Company Limited (*Management consulting services*)

- **2014 - Present**

Director

Thai Union High-Tech Pearl Cultivation Company Limited (*Aquaculture, import and export of aquatic animals*)

- **2012 - Present**

Director / Member of the Executive Committee

- Okeanos Food Company Limited (*Manufacturer & distributor of frozen foods & aquatic animal*)
- Pakfood Public Company Limited (*Manufacturer & distributor of frozen foods & aquatic animals*)

- **2010 - Present**

Director / Chairman of the Executive Committee

- Thai Union Investment Holding Company Limited (Mauritius) (*Holding*)
- Thai Union Europe (France) (*Manufacturer and distributor of canned seafood*)

Director

- Tri-Union Frozen Products, Inc. (USA) (*Importer and distributor of frozen seafood*)
- U.S. Pet Nutrition LLC. (USA) (*Manufacturer & distributor of premium pet food*)

- **2009 - Present**

Director

TN Fine Chemicals Company Limited (*Manufacturer & exporter of byproducts from seafood*)

- **2000 - Present**

Director

Biz Dimension Company Limited (*E-Commerce under website*)

- **1999 - Present**

Director / Member of the Executive Committee

i-Tail Public Company Limited (*Manufacturer & exporter of canned seafood*)

- **1997 - Present**

Director

Tri-Union Seafoods, LLC (*Sale of canned seafood*)

- **1996 - Present**

Chairman of the Executive Committee

Thai Union Seafood Company Limited (*Manufacturer & exporter of frozen shrimp*)

Director / Chairman of the Executive Committee

Thai Union North America, Inc. (*Holding*)

- **1995 - Present**

Chairman of the Board of Directors

Thai Union Graphic Company Limited (*Printing manufacturer*)

- **1993 - Present**

Director

- Lucky Union Foods Company Limited (*Manufacturer & exporter of crab sticks*)
- Waitthai Company Limited (*Domestic transportation*)
- Asian-Pacific Can Company Limited (*Manufacturer & distributor of packaging for food products*)

- **1989 - Present**

Director / Member of the Executive Committee

Thai Union Manufacturing Company Limited (*Manufacturer & exporter of canned tuna and pet food*)

- **1988 - Present**

Director

- Chansiri Real Estate Company Limited (*Real estate*)
- Thai Union Properties Company Limited (*Real estate*)

- **1984 - Present**

Director

Penven (Thailand) Company Limited (*Real estate*)

Mr. Cheng Niruttinanon (Age 79 years)
Director (Authorized director)

Appointment Date

29 June 2000

Education

- The second Middle School of Shantou, People's Republic of China

Trainings of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 187/2021

Shareholding Ratio* (%)

Himself 0.05% and spouse 0.00%

Relationship Between Directors and Management

-

Working Experience

- **2000 - Present**
Director
Thai Union Feedmill Public Company Limited
(Manufacturer and distributor of animal feeds)

Other Listed Companies

- **2000 - Present**
Director / Chairman of the Executive Committee
Thai Union Group Public Company Limited (Process frozen seafood and canned food for domestic and international)

Other Non-Listed Companies

- **2021 - Present**
Director / Chairman of the Executive Committee
i-Tail Public Company Limited (Manufacturer & exporter of canned seafood)
- **2019 - Present**
Director
Thai Union Ingredients Company Limited (Distributor of ingredients product)
- **2013 - Present**
Member of the Executive Committee
Phil-Union Frozen Foods, Inc. (Philippines) (supplier and manufacturer of canned frozen products)

- **2011 - Present**

Director / Member of the Executive Committee
Thai Glycerine Company Limited (Glycerine trading)

- **2010 - Present**

Director

- Thai Union Europe (France) (Manufactures canned seafood products)
- U.S. Pet Nutrition LLC. (USA) (Manufacturer & distributor of premium pet food)
- Tri-Union Frozen Products, Inc. (USA) (Importer and distributor of frozen seafood)

Director / Member of the Executive Committee
Oriental Unique Company Limited (Import and export)

- **2008 - Present**

Director

Thaipatana Stainless Steel Company Limited (Stainless steel work)

- **2007 - Present**

Director

Yueh Chyang Canned Food Company Limited
(Manufacturer & distributor of canned tuna and seafood)

- **2001 - Present**

Partner

Hunhong Kanchang Registered Ordinary Partnership
(Steel production)

- **1997 - Present**

Director

- New Century Printing & Packaging Company Limited (Printing)
- Tri-Union Seafoods, LLC (Manufacturer & distributor of canned tuna and seafood)

- **1996 - Present**

Member of the Executive Committee
Thai Union North America, Inc. (Holding)

- **1993 - Present**

Director

Waithai Company Limited (Domestic transportation)

Note:

* Shareholding information as of 31 December 2021

- **1992 - Present**

Chairman of the Board of Directors

Jana Fish Industries Company Limited (*Manufacture of fishmeal for animal feed*)

- **1990 - Present**

Chairman of the Board of Directors

Lucky Union Foods Company Limited (*Manufacturer & exporter of crab sticks*)

- **1989 - Present**

Chairman of the Board of Directors

Asian Pacific Thai Tuna Company Limited (*Fish trading*)

- **1987 - Present**

Chairman of the Board of Directors

- Asian-Pacific Can Company Limited (*Manufacturer & distributor of packaging for food products*)
- T.C. Union Agrotech Company Limited (*Manufacturer of animal feeds*)

- **1973 - Present**

Director / Member of the Executive Committee /

Managing Director

Thai Union Manufacturing Company Limited

(*Manufacturer & exporter of canned tuna and pet food*)

Mr. Bunluesak Sorajjakit (Age 60 years)

Director / Member of the Executive Committee /

Chief Executive Officer (Authorized director)

Appointment Date

1 August 2000

Education

- Bachelor Degree of Science, Production Technology, King Mongkut's Institute of Technology Ladkrabang

Trainings of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 151/2018

Shareholding Ratio* (%)

Himself 3.10%

Relationship Between Directors and Management

-

Working Experience

- **2000 - Present**

Director / Member of the Executive Committee / Chief Executive Officer

Thai Union Feedmill Public Company Limited

(*Manufacturer and distributor of animal feeds*)

Other Listed Companies

-

Other Non-Listed Companies

- **2016 - Present**

Director

Avanti Frozen Foods Private Limited (*Manufacturer & exporter of shrimp products*)

- **2012 - Present**

Director

- TMAC Company Limited (*Investment in breeding farms, improvement of shrimp breeding and shrimp farming*)

- Thai Union Hatchery Company Limited (*White shrimp breeding development*)

- TCM Fishery Company Limited (*Operating shrimp farming*)

- TMK Farm Company Limited (*Operating shrimp farming*)

- **2010 - Present**

Director

Avanti Feeds Limited (*Manufacturer & exporter of animal feeds and shrimp products*)

Note:

* Shareholding information as of 31 December 2021

Mr. Chan Shue Chung (Age 46 years)
Director (Authorized director)

Appointment Date

4 October 2002

Education

- Bachelor Degree of Construction Engineering Management, Oregon State University, USA
- Master Degree of Business Administration, Bangkok University

Trainings of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 16/2002
- TLCA Executive Development Program Class 1/2009
- Ethical Leadership Program (ELP) Class 6/2016

Shareholding Ratio* (%)

Himself 0.05%

Relationship Between Directors and Management

-

Working Experience

- **2002 - Present**
Director
Thai Union Feedmill Public Company Limited
(Manufacturer and distributor of animal feeds)

Other Listed Companies

- **2000 - Present**
Director / Member of the Executive Committee
Thai Union Group Public Company Limited (Process frozen seafood and canned food for domestic and international)

Other Non-Listed Companies

- **2021 - Present**
Director
- i-Tail Public Company Limited (Manufacturer & exporter of canned seafood)
- Thai Union Manufacturing Company Limited (Manufacturer & exporter of canned tuna and pet food)
Director/ Member of the Executive Committee
Thai Union Lifescience Company Limited (Manufacturing and distribution of supplement products)
- **2020 - Present**
Member of the Executive Committee
Thai Union South East Asia Pte. Ltd. (Singapore)
(Consulting for business strategy and investment)
- **2018 - Present**
Director
- Thoon Thanasiri (Songkhla) Company Limited (Credit granting)
- Biz Dimension Company Limited (E-Commerce under website)
Director / Member of the Executive Committee
EHS Training and Services Company Limited (Providing training and management services)
- **2017 - Present**
Director
Thoon Thanasiri Company Limited (Credit granting)
- **2015 - Present**
Director
Thai Union Seafood Company Limited (Manufacturer & exporter of frozen shrimp)
- **2014 - Present**
Director / Member of the Executive Committee
Thai Union Graphic Company Limited (Printing manufacturer)

Note:

* Shareholding information as of 31 December 2021

Mr. Kanit Vallayapet (Age 66 years)

Director

Appointment Date

11 February 2021

Education

- Bachelor Degree of Laws, Ramkhamhaeng University
- Barrister-at-Law, Institute of Legal Education Thai Bar Association
- Master's Degree, Business Administration, Pathumthani University

Trainings of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) Class 273/2019

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- **2021 - Present**
 Director
 Thai Union Feedmill Public Company Limited
(Manufacturer and distributor of animal feeds)

Other Listed Companies

- **2021 - Present**
 Independent Director and Member of the Audit and Risk Committee
 Intouch Holdings Public Company Limited *(Holding)*

Other Non-Listed Companies

- **2021 - Present**
 Independent Director
 Thai Roong Ruang Industry Company Limited
(Manufacturer and distributor of sugar)
- **2009 - Present**
 Director
 Mitr Trang Company Limited *(Supply and rental)*
- **2008 - Present**
 Director
 Family Dream Weaver Company Limited *(Supply and rental)*
- **1991 - 2021**
 Principal Partner and Director
 Baker & McKenzie Limited *(Legal firm)*

Note:

* Shareholding information as of 31 December 2021

Mrs. Rachadaporn Rajchataewindra (Age 63 years)
Chairman of the Audit Committee / Independent Director

Appointment Date

5 September 2018

Education

- Bachelor Degree of Accountancy, Chiang Mai University
- Bachelor Degree of Laws, Sukhothai Thammathirat Open University
- Master Degree of International Business, The University of the Thai Chamber Commerce

Trainings of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) Class 204/2015
- Director Accreditation Program (DAP) Class 111/2014
- Successful Formulation & Execution of Strategy (SFE) Class 21/2014
- Corporate Governance for Executives (CGE) Class 1/2014
- Advance Audit Committee Program (AACP) Class 32/2019

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- **2018 - Present**
Chairman of the Audit Committee / Independent Director
Thai Union Feedmill Public Company Limited
(Manufacturer and distributor of animal feeds)

Other Listed Companies

- **2019 - Present**
Chairman of the Audit Committee / Independent Director
TRC Construction Public Company Limited (Construction services)
- **2019 - 2020**
Member of the Audit Committee
MCOT Public Company Limited (Communication business)

- **2015 - 2018**

Senior Executive Vice President, Corporate Accounting & Finance

IRPC Public Company Limited (Manufacture of refinery petroleum products)

Executive Vice President, Corporate Finance & Accounting
PTT Public Company Limited (Manufacture of petroleum)

Other Non-Listed Companies

- **2021 - Present**

Director

Thailand Privilege Card Company Limited (operator of the Thailand Elite membership card project)

- **2020 - Present**

Chairman of the Audit Committee

The Zoological Park Organization of Thailand

- **2019 - Present**

Chairman of the Audit Committee

Fish Marketing Organization

Director

VRTwins Company Limited (Other retail sale in non-specialized stores)

- **2013 - 2015**

Vice President, Corporate

PTT Asahi Chemical Company Limited (Manufacture of refinery petroleum products)

Note:

* Shareholding information as of 31 December 2021

Dr. Somchai Thaisanguanvorakul (Age 64 years)

Member of the Audit Committee / Independent Director

Appointment Date

5 September 2018

Education

- Bachelor Degree of Political Science, Ramkhamhaeng University
- Master Degree of Public and Private Management (Class#3), National Institute of Development Administration (NIDA)
- Honorary Doctorate degree in Business Administration in Finance, Rajamangala University of Technology Isan
- Doctor's Degree, Public Administration, Ubon Ratchathani University

Trainings of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) Class 55/2005
- Director Accreditation Program (DAP) Class 31/2005
- Advanced Audit Committee Program (AACP) Class 25/2017
- Director Certification Program Update (DCPU) Class 2/2014

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- **2018 - Present**
Member of the Audit Committee / Independent Director
Thai Union Feedmill Public Company Limited
(Manufacturer and distributor of animal feeds)

Other Listed Companies
• 1994 - Present

 Director / Chairman of the Executive Committee
 SNC Former Public Company Limited (*Manufacture in parts of electric appliances and automobile*)

Other Non-Listed Companies
• 2015 - Present

 Director
 Hercules Oil Company Limited (*Retail sale of automotive fuel in specialized stores*)

• Present

- Director
- Zeus Energy Company Limited (*Installation of heating system*)
- Pracharath Rak Samakkee Samut Prakan (Social Enterprise) Company Limited (*Management consulting services*)
- Paradise Plastic Company Limited (*Manufacture of automotive electrical parts*)
- Meisou SNC Precision Company Limited (*Manufacture of machinery for metallurgy*)
- Yala Fah Saard Company Limited (*Electric power generation*)
- Siam Eastern Industrial Park Company Limited (*Real estate*)
- Ultimate Parts Company Limited (*Manufacture of industrial refrigerating or freezing equipment*)

Note:

* Shareholding information as of 31 December 2021

- Infinite Part Company Limited (*Manufacture of industrial refrigerating or freezing equipment*)
- Immortal Parts Company Limited (*Manufacture of industrial refrigerating or freezing equipment*)
- ECOT Enterprise Company Limited (*Organization of conventions*)
- SNC Creativity Anthology Company Limited (*Manufacture of industrial refrigerating or freezing equipment*)
- SNC Cooling Supply Company Limited (*Manufacture of other parts and accessories for motor vehicles*)
- SNC Pyongsan Evolution Company Limited (*Manufacture of industrial refrigerating or freezing equipment*)
- SNC Fukui Holy Insulation Company Limited (*Manufacture of industrial refrigerating or freezing equipment*)
- SNC Atlantic Water Heater Asia Company Limited (*Manufacture of domestic electro thermic appliances*)
- SNC Atlantic Heat Pump Company Limited (*Manufacture of domestic electro thermic appliances*)
- SNC Holding Company Limited (*Holding*)
- SSM Automation Company Limited (*Manufacture of other fabricated metal products*)
- Advance Defense Technology Company Limited (*Sale of new trucks and other heavy motor vehicles*)
- Odin Power Limited (*Electric power generation and transmission*)

- Odin Myanmar Limited (*Manufacture of other plastics products, not elsewhere classified*)
- Siam Environmental Technologies Limited (*Provide waste water treatment services*)
- Hygea & Laso Corporation Company Limited (*Trading machinery and labor-saving machinery*)

• **2016 - 2018**

Chairman of the Sub-Committee Securities Investor Protection Fund
The Stock Exchange of Thailand
Sub-Committee Derivatives Investor Protection Fund
Thailand Futures Exchange Public Company Limited (TFEX)

• **2014 - 2018**

Director
The Stock Exchange of Thailand
Sub-Committee Corporate Governance and Social Responsibility
The Stock Exchange of Thailand
Luminaries
Market for Alternative Investment (MAI)

Mrs. Morragot Kulatumyotin (Age 55 years)
 Member of the Audit Committee / Independent Director

Appointment Date

5 September 2018

Education

- Bachelor Degree of Mathematics, Prince of Songkla University
- Master Degree of Business Administration, Thammasat University
- Master Degree of Computer Science, University of Missouri Columbia, USA

Trainings of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) Class 221/2016
- Director Accreditation Program (DAP) Class 24/2004
- Board Nomination and Compensation Program (BNCP) Class 3/2018
- Company Secretary Program (CSP) Class 3/2003
- Effective Minutes Taking (EMT) Class 1/2006
- Advanced Audit Committee Program (AACP) Class 42/2021

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- **2018 - Present**
 Member of the Audit Committee / Independent Director
 Thai Union Feedmill Public Company Limited
 (Manufacturer and distributor of animal feeds)

Other Listed Companies

- **2003 - Present**
 Director / Managing Director
 Internet Thailand Public Company Limited (Internet access activities over wired networks)

Other Non-Listed Companies

- **2020 - Present**
 Director
 INET REIT Management Company Limited (Real estate)

- **2019 - Present**

Director

Blishtech Company Limited (Advertising media sales representatives)

- **2018 - Present**

Director

Manage AI Solution Company Limited (Manufacturing of medical devices and equipment)

- **2017 - Present**

Chairman of the Board of Directors

Digital Healthcare Solutions Company Limited (Dental practice activities)

- **2008 - Present**

Chairman of the Board of Directors

Mandala Communications Company Limited (Telecommunication)

- **Present**

Director

- D Solution Dot Com Company Limited (Internet access activities over wired networks)

- Thai Dot Com Payment Company Limited (Payment gateway)

- Talk To Me Company Limited (Call center)

- Nexpie Company Limited (Software and computer)

- Onespace Corporation Company Limited (Computer programming activities)

- One Electronic Billing Company Limited (Computer programming activities)

- Atcetera Corporation Company Limited (Internet access activities over wired networks)

- INEXT Broadband Company Limited (Internet access activities over wired networks)

- INET Managed Services Company Limited (Other information technology and computer service activities)

- IRecruit Company Limited (Apply job system)

- **2014 - 2016**

Director

Thai Dot Com Company Limited (E-Commerce)

Note:

* Shareholding information as of 31 December 2021

Mr. Suchat Yuddon (Age 52 years)
Senior Vice President / Vice President (Acting),
Sales & Marketing

Appointment Date

1 October 2018

Education

- Bachelor Degree of Animal Science, Kasetsart University

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- **2018 - Present**
Senior Vice President / Vice President (Acting),
Sales & Marketing
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)

Other Listed Companies

-

Other Non-Listed Companies

- **2017 - 2018**
Deputy Managing Director
CP Pakistan PVT, LTD. (*Animal feeds*)
- **2016 - 2017**
Deputy Managing Director
CP India PVT, LTD. (*Animal feeds*)
- **2014 - 2015**
Assistant Managing Director
CP India PVT, LTD (*Animal feeds*)

Mr. Kissakon Chodkamolvorapat (Age 44 years)
Vice President, Plant Operations

Appointment Date

1 January 2019

Education

- Bachelor Degree of Industrial Engineering, Rajamangala University of Technology Srivijaya
- Master Degree of Industrial Management, Prince of Songkla University

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- **2019 - Present**
Vice President, Plant Operations
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)
- **2008 - 2018**
Plant Manager
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)

Other Listed Companies

-

Other Non-Listed Companies

-

Note:

* Shareholding information as of 31 December 2021

Mr. Sukson Wongchuwong (Age 40 years)

Chief Financial Officer

Appointment Date

1 March 2021

Education

- Bachelor Degree of Economics, Chulalongkorn University
- Master Degree of Business Administrative, International University of Japan

Trainings of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) Class 299/2020

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- **2021 - Present**
Chief Financial Officer
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)
- **2021 - 2021**
Vice President - Accounting, Finance and Credit Control
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)

Other Listed Companies

- **2017 - 2021**
Business Development Manager
Thai Union Group Public Company Limited (*Process frozen seafood and canned food for domestic and international*)

Other Non-Listed Companies

- **2013 - 2016**
Senior Manager - ASEAN Business Development
PT Mitsubishi UFJ Lease (Singapore) Pte, Ltd. (*Finance, Leasing*)
- **2005 - 2010**
Senior Analyst - Investment Management
The Stock Exchange of Thailand

Mr. Preecha Bangnokkhwaek (Age 51 years)

Vice President (Research & Development)

Appointment Date

1 March 2021

Education

- Bachelor Degree of Science (Agriculture) Animal Science, Kasetsart University
- Master Degree of Science (Agriculture) Animal Science (Non-Ruminant Nutrition), Kasetsart University

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- **2021 - Present**
Vice President - Research & Development
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)
- **2007 - 2021**
Assistant Vice President - Research & Development
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)

Other Listed Companies

- **1995 - 2005**
Division Manager
Lee Feed Mill Public Company Limited (*Manufacturer and distributor of animal feeds*)

Other Non-Listed Companies

- **2005 - 2007**
Technician Manager
Japfa Comfeed Vietnam Ltd. (*Manufacturer and distributor of animal feeds*)

Note:

* Shareholding information as of 31 December 2021

Mr. Komgrit Pavasuttinon (Age 54 years)
Vice President (Accounting, Finance and Credit Control)

Appointment Date

1 January 2021

Education

- Bachelor Degree of Science (Medical Science), Prince of Songkla University
- Bachelor Degree of Business Administration (Accounting), Ramkhamhaeng University
- Master Degree of Development Economics (Finance), National Institute of Development Administration

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- **2021 - Present**
Vice President (Accounting, Finance and Credit Control)
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)

Other Listed Companies

-

Other Non-Listed Companies

- **2020 - 2020**
General Manager
Thai Union Seafood Company Limited (*Produces and distributes frozen shrimp*)
- **2018 - 2019**
General Manager
i-Tail Public Company Limited (*Manufacturer & exporter of canned seafood*)
- **2015 - 2017**
Vice President (Administrative)
Thai Hua Rubber Public Company Limited (*Produces and distributes rubber products*)

Ms. Kanthima Reanarom (Age 45 years)
Accounting Manager

Appointment Date

1 March 2022

Education

- Bachelor Degree of in Accounting, Siam University

Continuing Professional Development (CPD)

- Financial Statement Analysis, totaling to 7 hours in 2021 (countable for CPD 7 hours)
- Accounting Information #1, totaling 6 hours in 2021 (countable for CPD 3 hours)

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- **2022 - Present**
Accounting Manager
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)
- **2020 - 2022**
Deputy Accounting Manager
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)
- **2011 - 2019**
Accounting Division Supervisor
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)
- **2007 - 2011**
Accounting Department Supervisor
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)
- **2002 - 2006**
General Accounting Officer
Thai Union Feedmill Public Company Limited
(*Manufacturer and distributor of animal feeds*)

Other Listed Companies

-

Other Non-Listed Companies

-

Note:

* Shareholding information as of 31 December 2021

Mrs. Savitri Jaiprasong (Age 51 years)

Financial Manager

Appointment Date

1 January 2020

Education

- Bachelor Degree of Accounting, Dhonburi Rajabhat University

Shareholding Ratio* (%)

-

Relationship Between Directors and Management

-

Working Experience

- 2020 - Present
Financial Manager
Thai Union Feedmill Public Company Limited
(Manufacturer and distributor of animal feeds)
- 2003 - 2019
Deputy Financial Manager
Thai Union Feedmill Public Company Limited
(Manufacturer and distributor of animal feeds)

Other Listed Companies

- 1997 - 2002
Financial Supervisor
Thai Union Group Public Company Limited (Process frozen seafood and canned food for domestic and international)

Other Non-Listed Companies

- 1991 - 1996
Financial Supervisor
Thai Union Manufacturing Company Limited
(Manufacturer & exporter of canned tuna and pet food)

Note:

* Shareholding information as of 31 December 2021

Role and responsibilities of Company Secretary

The Board of Directors' meeting No. 1/2021 on 11 February 2021 has a resolution to appoint Mr. Sukson Wongchuwong to be a company secretary effective 1 March 2021 in accordance with the regulation of Securities and Exchange Act BE 2535 (including its amendment) which specified role and responsibilities of company secretary as follow:

1. Provide information and advice to directors and management on compliance with laws relating to business, rule and regulation, article of association of the Company, monitor on compliance including report on change of signification regulation to directors and management.
2. Organize training and orientation as well as provide useful information to perform of duties to existing directors and newly appointed directors.
3. Take care and coordinate the Company to operate business in line with article of association, regulation and the meeting resolution of the Board of Directors and shareholders as well as good corporate governance policy.
4. Monitor to ensure that the Company has disclosed information relating to rule, regulation and notification of SET, SEC, CMBS.
5. Prepare and keep important company documents as follow:
 - A. Register of directors
 - B. Shareholders register book
 - C. Notice and minutes of the Board of Directors' meeting including preparing supporting document for such meeting
 - D. Notice and minutes of the Shareholders' meeting including preparing supporting document for such meeting
 - E. Annual Registration form (Form 56-1) and annual report (Form 56-2)
 - F. Report on conflict of interest of directors and management according to Section 89/14 of the Securities and Exchange Act B.E. 2535 (and its amendment) ("report on conflict of interest")
6. Submit a copy of report on conflict of interest to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 days from the date on which the Company receives such report.
7. Proceed the meeting of the Board of Directors and shareholders in accordance with laws, articles of

association of the Company, regulation including following up to ensure compliance with the resolution of the shareholders and the Board of Directors' meeting.

8. Oversee the activities of the Board of Directors and take any actions to be in accordance with the laws or related regulations and/or as specified by the CMSB and/or as assigned by the Board of Directors.

Mr. Sukson Wongchuwong has been appointed to be a person taking the highest responsibility in finance and accounting (CFO) as described in TorJor 39/2559 and has a qualification as such regulation as follow:

1. Mr. Sukson Wongchuwong has graduated bachelor's degree in economics from Chulalongkorn University and master's degree in business administration from International University of Japan.
2. Has experience minimum 3 years in accounting or finance within the last 5 years before the date of filing to Security and Exchange Commission.
3. Attend CFO's Orientation Course for New IPOs Class 5 in 2021 for 12 hours.
4. Even being assigned to be CFO of the Company with the working period less than 1 year. However, he previously held the position of Business Development Manager of TU, which has worked together with the company in the analysis feasibility study and the implementation of various investment projects in foreign countries since 2017. Mr. Suksan Wongchuwong has knowledge and understanding of the Company's financial information and has requested a waiver in accordance with the said rules to the Office of the Securities and Exchange Commission.

Ms. Kanthima Reanarom has been appointed to be a person supervising accounting as described in TorJor 39/2559 and has a qualification as such regulation as follow:

1. Ms. Kanthima Reanarom has graduated bachelor's degree in accounting from Siam University.
2. She is an accountant under Thai accounting laws.
3. She has a working experience on accosting more than 3 years in past 5 years prior to the submission of filing to the Securities and Exchange Commission.
4. She has fully attended continuing professional development for accountant in 2021.

Information on directorship position in subsidiaries and associated companies of directors, management and controlling persons

[illegible]

[illegible]

	Director, management and controlling persons																
	Mr. Rittirong Boonmechote	Mr. Thiraphong Chansri	Mr. Cheng Niruttinanon	Mr. Bunluesak Sorejjakt	Mr. Chan Siue Chung	Mr. Kant Vallyapet	Mrs. Rachadaporn Rajchadie-windra	Dr. Somchai Thaisa-nguanvorakul	Mrs. Morragot Kulatunyotin	Mr. Suchat Yuddon	Mr. Kiasakon Chodkamol-varapat	Mr. Sukson Wongoluwong	Mr. Preecha Bang-nokkhiwaek	Mr. Kongrit Pavasutlinon	Ms. Kanthima Reanarom	Mrs. Savitri Jalprasong	
	Associated Companies																
Fish Marketing Organization The Zoological Park Organization of Thailand VRTwins Company Limited SNC Former Public Company Limited Zeus Energy Company Limited Pracharath Rak Samakkee Samut Prakan (Social Enterprise) Company Limited Paradise Plastic Company Limited Meisou SNC Precision Company Limited Yala Fah Saard Company Limited Siam Eastern Industrial Park Company Limited Ultimate Parts Company Limited Infinite Part Company Limited Immortal Parts Company Limited ECOT Enterprise Company Limited SNC Creativity Anthology Company Limited SNC Cooling Supply Company Limited SNC Pyongsan Evolution Company Limited SNC Fukui Holy Insulation Company Limited SNC Atlantic Water Heater Asia Company Limited SNC Atlantic Heat Pump Company Limited SNC Holding Company Limited SSM Automation Company Limited Advance Defense Technology Company Limited Odin Power Limited Odin Myanmar Limited							IV										
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	Director, management and controlling persons															
	Mr. Rittirong Boonmechote	Mr. Thiraphong Chansiri	Mr. Cheng Niruttinanon	Mr. Bunluesak Sorajjakit	Mr. Chan Shue Chung	Mr. Kanit Vallayapet	Mrs. Rachadaporn Rajchadaewindra	Dr. Somchai Thaisa-nguanvorakul	Mrs. Morragot Kulatunyotin	Mr. Suchat Yuddon	Mr. Kissanon Chodkamol-varapat	Mr. Sukson Wongchuwong	Mr. Preecha Bang-nokkhaewak	Mr. Kongrit Pavasutthinn	Ms. Kanthina Reanarom	Mrs. Savitri Jalprasong
	Associated Companies															
Hercules Oil Company Limited								/								
Siam Environmental Technologies Company Limited								/								
Hygea & Lasso Cooperation Company Limited								/								
INET REIT Management Company Limited									/							
Blishtech Company Limited									/							
Manage AI Solution Company Limited									/							
Digital Healthcare Solutions Company Limited									X							
D Solution Dot Com Company Limited									/							
Thai Dot Com Payment Company Limited									/							
Talk To Me Company Limited									/							
Nexpie Company Limited									/							
Mandala Communications Company Limited									X							
Onespace Corporation Company Limited									/							
One Electronic Billing Company Limited									/							
Internet Thailand Public Company Limited									/, CEO							
Atcetera Corporation Company Limited									/							
INEXT Broadband Company Limited									/							
INET Managed Services Company Limited									/							
Thai Dot Com Company Limited									/							
INET Managed Services Company Limited									/							

Remark:
 X – Chairman of the Board of Directors, / – Director, CEO – Chief Executive Officer, // – Management, /// – Independent Director, IV – Chairman of the Audit Committee, V – Member of the Audit Committee, EC – Member of the Executive Committee

Attachment 2

The Details of Subsidiaries Directors

Director	Subsidiaries	
	PT Thai Union Kharisma Lestari	AMG-Thaiunion Feedmill (Private) Limited
1. Mr. Rittirong Boonmechote	x	
2. Mr. Bunluesak Sorajjakit	/	x
3. Mr. Suchat Yuddon		/
4. Mr. Wai Yat Paco Lee	/	
5. Mr. Sukson Wongchuwong	/	/
6. Mr. Preecha Bangnokkhaek		/
7. Mr. Indra Winoto	/	
8. Mr. Nefo Ng	/	
9. Mr. Indra Kumar Alluri	/	
10. Mr. Nabeel Akhtar Chaudhry		/
11. Mr. Hafiz Ibad Hussain		/
12. Mr. Jahanzeb Khawaja		/

Remark:

X – Chairman of the Board of Directors, / – Director, EC – Member of the Executive Committee

Attachment 3

The details of Head of Internal Audit

Mr. Peach Kaewmanee (Age 54 years)
 Head of Internal Audit

Education

- Bachelor Degree of Business Administrative,
 Major Accounting, The University of Central Thailand

Training

- Certification of Internal Auditor Thailand (CPIAT)
 Class 62/2020
- Orientation Course – CFO Focus on Financial Reporting
 Class 2/2018
- Accountant and IT Audit Process, Course 1 Class 3/2000
- Internal Audit Process, Course 2 Class 4/1996
- Internal Audit Process, Course 1 Class 4/1995

Working Experience

- **2019 - Present**
 Internal Audit Manager
 Thai Union Feedmill Public Company Limited
- **2003 - 2019**
 Accounting Manager
 Thai Union Feedmill Public Company Limited
- **1997 - 2002**
 Internal Audit Assistant Manager
 Thai Union Group Public Company Limited

Mr. Thanyathep Thiwakornsakul (Age 47 years)
 Has been appointed to be head of internal audit instead
 Mr. Peach Kaewmanee since 16 February 2022 onwards

Education

- Bachelor Degree of Accounting - Major Auditing,
 The University of The Thai Chamber of Commerce

Training

- Mini MBA: Digital Business Management /
 June - August 2020
- Transforming the Audit with Data Analytics / November 2019
- COSO 2013 Framework on Internal Control /
 November 2019
- Managerial Skills Development / June 2013
- Fraud Audit / June 2013
- Project Management for Professionals / June 2013
- Risk Management / June 2011

Working Experience

- **2021 - Present**
 Internal Audit Manager
 Thai Union Feedmill Public Company Limited
- **2021 - 2021**
 Internal Control Consultant
 D Farm Food Retail Company Limited
- **2015 - 2020**
 Senior Internal Audit Manager
 The Mall Group Company Limited
- **2015 - 2015**
 Internal Audit Manager
 Minor Global Solutions Company Limited (Minor Group)
- **2011 - 2014**
 Internal Audit Manager
 Siam Winery Trading Plus Company Limited
- **2007 - 2010**
 Internal Auditor & Controller
 Surint Omya Chemicals (Thailand) Company Limited
- **2005 - 2007**
 Senior Internal Auditor
 Minor Holding (Thai) Company Limited (Minor Group)
- **1997 - 2005**
 Senior Internal Auditor
 Charoen Pokphand Group Company Limited (CP Group)

Attachment 4

Corporate Governance Policy and Code of Conduct



Attachment 5

Audit Committee Report

Dear Board of Directors and Shareholders

The Audit Committee of Thai Union Feedmill Public Company Limited consists of 3 independent directors who are experts in accounting and finance, organizational management, law, information technology systems, internal control and risk management. All audit committees meet the requirements of the Securities and Exchange Commission of Thailand and are not an executive, employee or consultant of the company.

In 2021, the Audit Committee held a total of 5 meetings as follows:

- | | |
|-------------------------------------|---|
| 1. Mrs. Rachadaporn Rajchataewindra | Independent Director and Chairman, attended the meeting 5 times |
| 2. Dr. Somchai Thaisanguanvorakul | Independent Director and Member, attended the meeting 5 times |
| 3. Mrs. Morragot Kulatumyotin | Independent Director and Member, attended the meeting 5 times |

The Audit Committee has performed its duties independently within the scope assigned by the Board of Directors to supervise according to the Audit Committee Charter which are reviewed in accordance with the current situation and approved by the Board of Directors. The annual performance of duties in the year 2021 are as follows:

Financial Statements Review

The Audit Committee reviewed the key informations of the quarterly and annual financial statements for the year 2021 of Thai Union Feedmill Public Company Limited and the consolidated financial statements of Thai Union Feedmill Public Company Limited and its subsidiaries which has been prepared in accordance with Thai Financial Reporting Standards and in line with International Financial Reporting Standards. The Audit Committee reviewed the significant issues, special transactions and received clarifications from the auditor, management, internal audit department both internal auditing and information technology auditing until satisfied that the preparation of the financial statements including the disclosure of the notes to the financial statements comply with legal requirements and financial reporting standards. The Audit Committee has considered and therefore approved the financial statements which the auditor has reviewed and audited as an unqualified opinion report. In addition, the Audit Committee attended 4 specific meetings with the auditor without the management attending to discuss an audit plan, independence in the performance of duties. It was confirmed that there were no operational problems, be independent and received good cooperation from management and responsible persons.

Good Corporate Governance Review

The Audit Committee reviewed the compliance with Code of Conduct. It was found that the company's directors and employees strictly followed the established principles. The company has implemented an anti-corruption policy to comply with business suitability as well as corporate governance with concrete consideration to society and the environment. Strictly the regulations of the stock exchange and laws related to business operations especially connected transactions and transactions that may have conflicts of interest. The Audit Committee has assessed the performance of duties and self-assessment about the readiness of the directors, financial reports, meeting with auditor, review of connected transactions, disclosures in reports, risk management, internal control, information technology system management, board meeting, performance of duties of the Internal Audit Department and the Secretary of the Audit Committee and the results were satisfactory.

Risk Management Assessment System Review

The Company has appointed a Risk Management Working Group with Chief Executive Officer as the chairman and the highest executive of each unit is a director acting as a policy establishment, risk management framework and risk management plans, supervise the implementation of risk management throughout the organization in order to appropriately reduce the impact of various internal and external risk factors on the company's business operations including reviewing the risks and monitoring the risk management quarterly, consideration of both internal and external risk factors, likelihood of impact and risk management to keep it at an acceptable level and reviewing the alarm (Key Risk Indicator) according to the established principles.

Review of Internal Control System, Internal Audit and Information Technology Audit

The Audit Committee reviewed the evaluation of the internal control system by regular considering the audit plans and audit reports both internal audit and information technology audit which no significant issues were found. Internal Audit Department reported in summary that the company's internal control system was sufficient efficiency including the auditor reported that the internal control system in accounting and finance were sufficient and appropriate. The Audit Committee has reviewed the Audit Committee Charter and the Internal Audit Charter annually. For the development of audit work, Internal Audit Department has given importance to the development of personnel and audit tools in accordance with the principles of professional practice standards of internal auditing.

Review of Connected Transactions, Rent/Lease Real Estate and Transactions that may have Conflicts of Interest

In 2021, the Audit Committee reviewed connected transactions and transactions that may have conflicts of interest, Report of the relevant directors and disclose to the Stock Exchange of Thailand accurately and at the specified time.

Visiting the Company and its Subsidiaries

The Audit Committee held meetings with the executives via electronic media (MS Teams) to review the operating system, internal control system, risk management system, environmental management system, problems regarding preparing financial statements and problems relevant to auditor and internal auditor.

The Audit Committee can Perform Duties According to the Charter without being Limited in Scope and can Request Unlimited Information

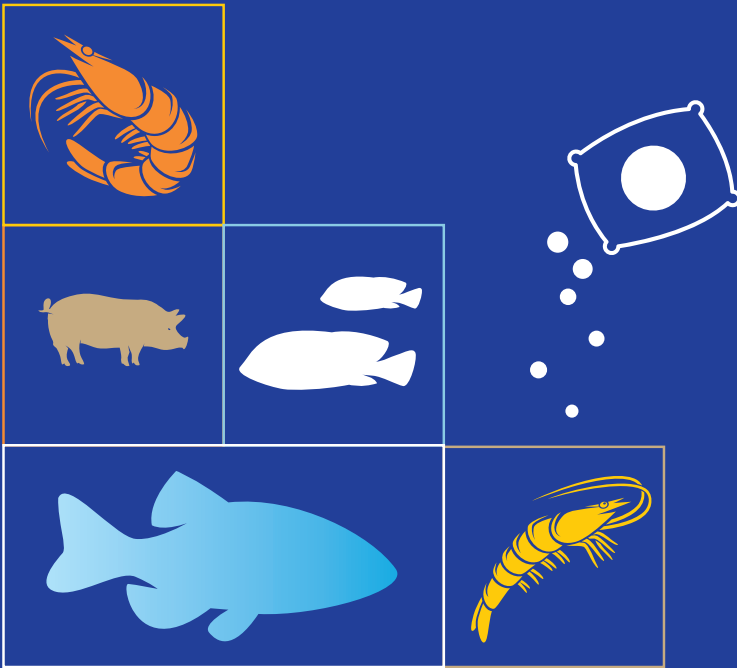
The Audit Committee has self-assessed its performance and the evaluation results are at an excellent level. Also the Audit Committee is the person who gives approval in considering the goodness, proposal to appoint, remove and transfer the Head of the Internal Audit Department of the company.

Consideration to Propose the Appointment of Auditors for the Year 2022

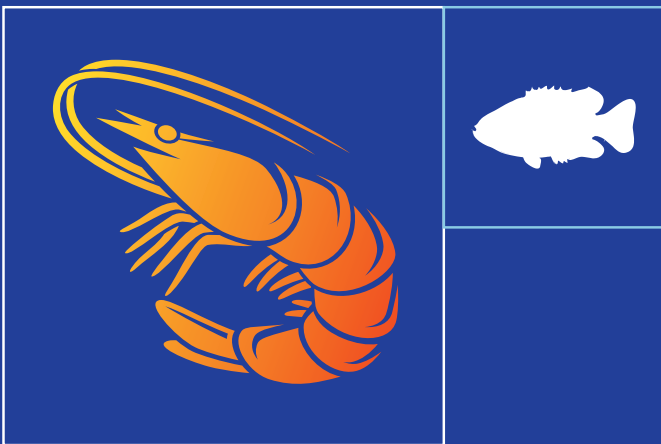
The Audit Committee has assessed the auditor's performance in the past year with satisfactory result and reviewed the qualification including considering the independence of the auditor that it is in accordance with the rules of the Securities and Exchange Commission of Thailand. The Audit Committee therefore proposed the Board of Directors to consider and propose to the shareholders' meeting to appoint Mr. Pongthavee Ratanakoses, Certified Public Accountant No. 7795 and/or Mr. Chanchai Chaiprasit, Certified Public Accountant No. 3760 and/or Ms. Amornrat Permpoonwattanasuk Certified Public Accountant No. 4599 from PricewaterhouseCoopers ABAS Company Limited ("PwC") as the company's auditor for the year 2022 by having one person audit and express an opinion to the company's financial statements and in the event that the aforementioned certified auditors are unable to perform their duties, PwC shall provide another certified public accountant to be replaced.



Mrs. Rachadaporn Rajchataewindra
Chairman of the Audit Committee



THAI-OWNED FEED SOLUTION FOR
GLOBAL FOOD SECURITY



Thai Union Feedmill Public Company Limited (Head Office)

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