



LEADER IN THE GOOD
AQUACULTURE FEED
FOR SUSTAINABLE FUTURE

Annual Registration Statement
Annual Report **2022**
(FORM 56-1 ONE REPORT)



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TO FOCUS ON PRODUCING OF THE BEST AQUACULTURE FEEDS FOR SUSTAINABLE BUSINESS OPERATIONS.



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Message from THE CHAIRMAN

2022 was the year that TFM's business undertakings in Indonesia and Pakistan became commercially operational. As a result, the company now has production bases in 3 countries with high potential growth in aquaculture products.

It was also another challenging year, in TFM's over-20-year history, for the management team and our employees due to several external uncertainties, such as economic conditions and the conflict between Russia and Ukraine which caused the raw material price became higher. Nevertheless, with our expertise, human and capital resources, and having access to innovations required to remain competitive and continue to further develop the aquaculture feed industry, the company was able to introduce new high-quality products with good growth performance of aquatic animals, as well as manufacturing a diverse range of products for different stages of the life cycle of aquatic animals.

In addition, TFM remains committed to business sustainability, including environmental and social sustainability and corporate governance. The company has worked with Thai Union Group PCL to improve different aspects of its work operations, e.g. sourcing certified and traceable raw materials as well as research

and development of new feed formulas for better products quality with optimized cost including the responsibility on the customers' needed and maximized their benefit on our products.

TFM announced a management change in preparation for significant developments in 2023 and to create a synergy between TFM and Thai Union Group PCL in manufacturing high-quality aquaculture products and customer delivery, by appointing Mr. Peerasak Boonmechote as Chief Executive Office, effective from 1 January 2023.

Lastly, as Chairman of the Board of Directors, I thank all the directors, management team and our employees for contributing to the organizational development with their utmost ability and unfazed determination inspite of obstacles. Appreciation must also be extended to our customers, trading partners, shareholders, financial institutions, and stakeholders for their support and trust in the company. Be assured that TFM's business conduct will remain based on corporate governance, transparency and good governance, striving to become a leader in the animal feed industry in a sustainable manner.

**TFM remains committed
to business sustainability,
including environmental and
social sustainability and
corporate governance.**



Rittirong Boonmechote
Chairman
of the Board of Directors



Message from THE CHIEF EXECUTIVE OFFICER

2022 was another challenging year for Thai Union Feedmill Public Company Limited. The management team had worked extremely hard in every department to maintain the company's strong operating results, achieving the revenue from sales of THB 4,888.3 million. The company experienced margin pressure due to rising costs of raw materials, therefore affecting the gross profit margin, which was down to 8.3 percent.

The consumption demand recovery in 2022 was led by increased domestic demand and the return of international tourists after COVID-19 restrictions measures around the world were gradually lifted. As such, there is a prospect of continued recovery in 2023.

In 2022, the team at PT Thai Union Kharisma Lestari Co. or TUKL, which began commercial operations on 1 January 2022, was working hard to achieve strong results. Yet, as TUKL business was still in an early stage, the operating results for 2022 were not satisfactory. However, we believe that TUKL will be instrumental in the company's future growth because Indonesia is among the world's top fisheries production countries, especially shrimp fishery.

The operations in Pakistan of AMG-Thaiunion Feedmill (Private) Limited or AMG-TFM in 2022 yielded satisfactory profits. Although there were severe floods in Pakistan in mid-2022, causing the sales to go down compared to the previous year, efforts put in by the management team had paid off and resulted in AGM-TFM turning a profit by year's

end. In addition, the problem of lower operating results during the off-season of fish farming had been addressed by selling new products, e.g. dairy cattle and goat feeds. Next year, AGM-TGM plans to expand to shrimp feed, becoming the first company in Pakistan to manufacture processed shrimp feed.

As for TFM's financial position in 2022, the interest-bearing debt to equity ratio stood at 0.02 times indicating a strong financial position amid global economic volatility caused by the Russia-Ukraine dispute and the energy crisis in Europe affecting the supply chain.

The annualized dividend payout to shareholders for 2022 operating results was THB 0.13 per share or 50.34 percent payout ratio, which was more than initially announced.

TFM remains committed to doing business in accordance with the vision **"to be the producer of the best aquaculture feeds for sustainable business operations"**. This commitment has contributed to TFM being in this business for over 22 years.

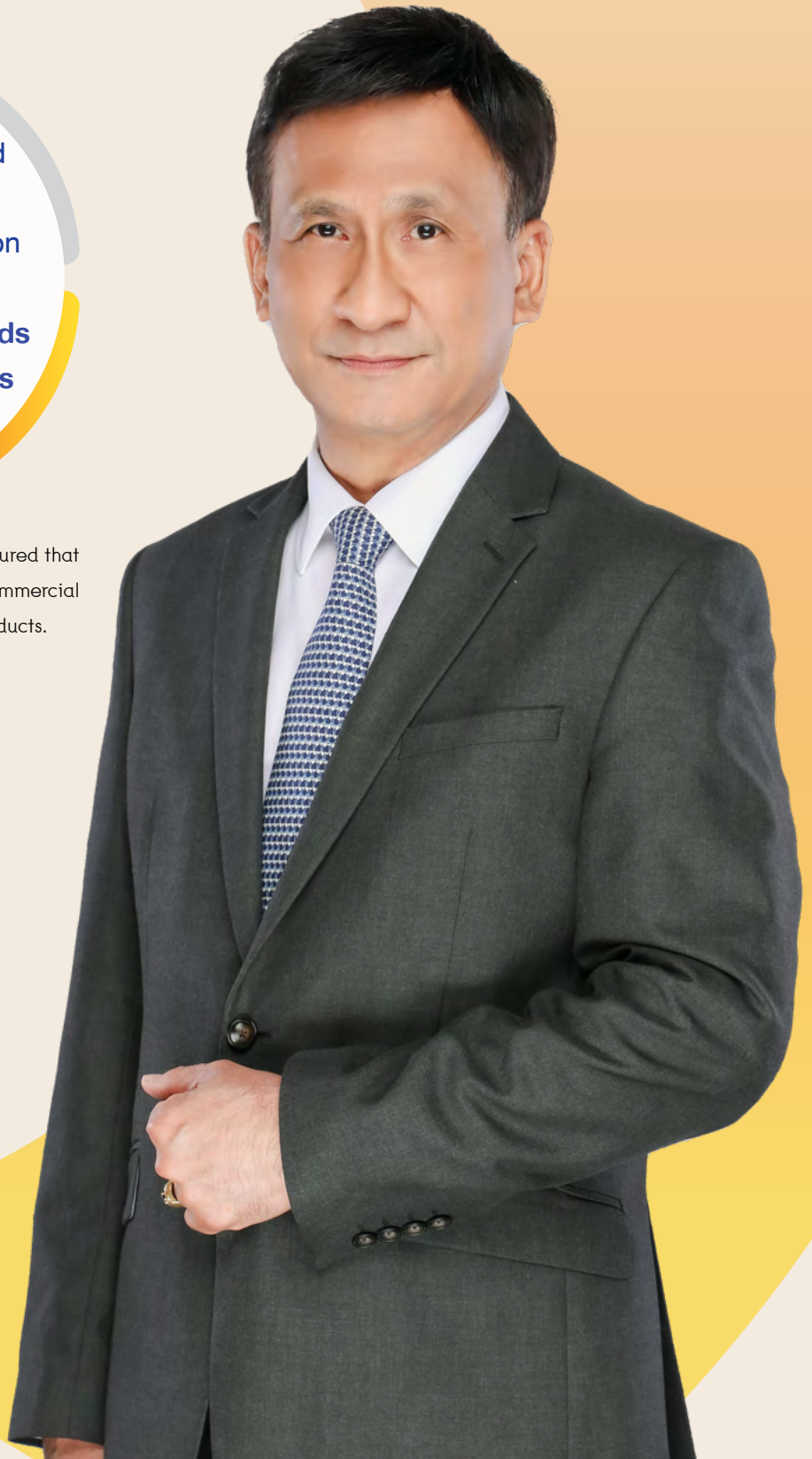
Lastly, 2022 was the year that the management team had worked to the best of their ability. It was also another challenging year for the company in staying profitable, while also making progress and achieving growth on other fronts through the efforts of the management team and all employees. I thank all our stakeholders, including the customers, trading partners, financial institutions, and

TFM remains committed
to doing business in
accordance with the vision
to be the producer of
the best aquaculture feeds
for sustainable business
operations.

shareholders, for the continued support. Be assured that
TFM will always be an industry leader in commercial
livestock feeds and producing high-quality products.



Bunluesak Sorajjakit
Chief Executive Officer

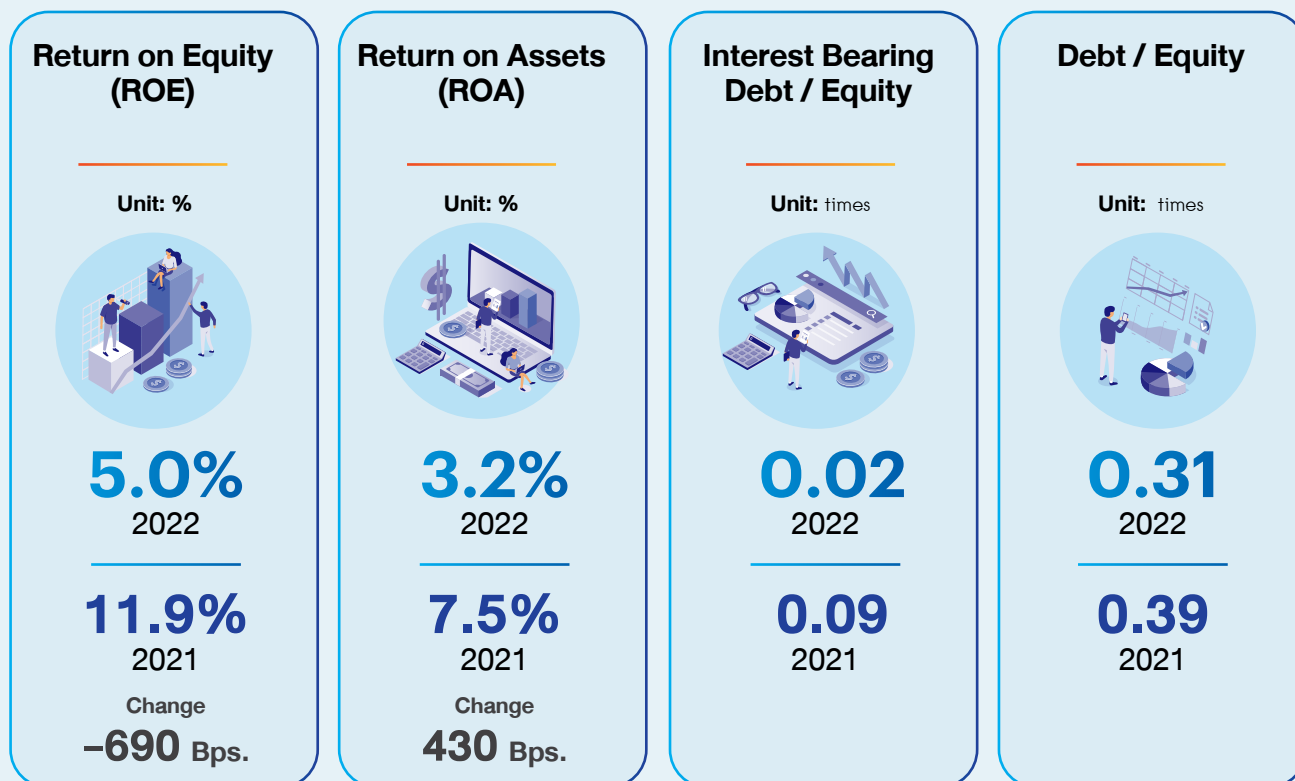


Financial Highlights

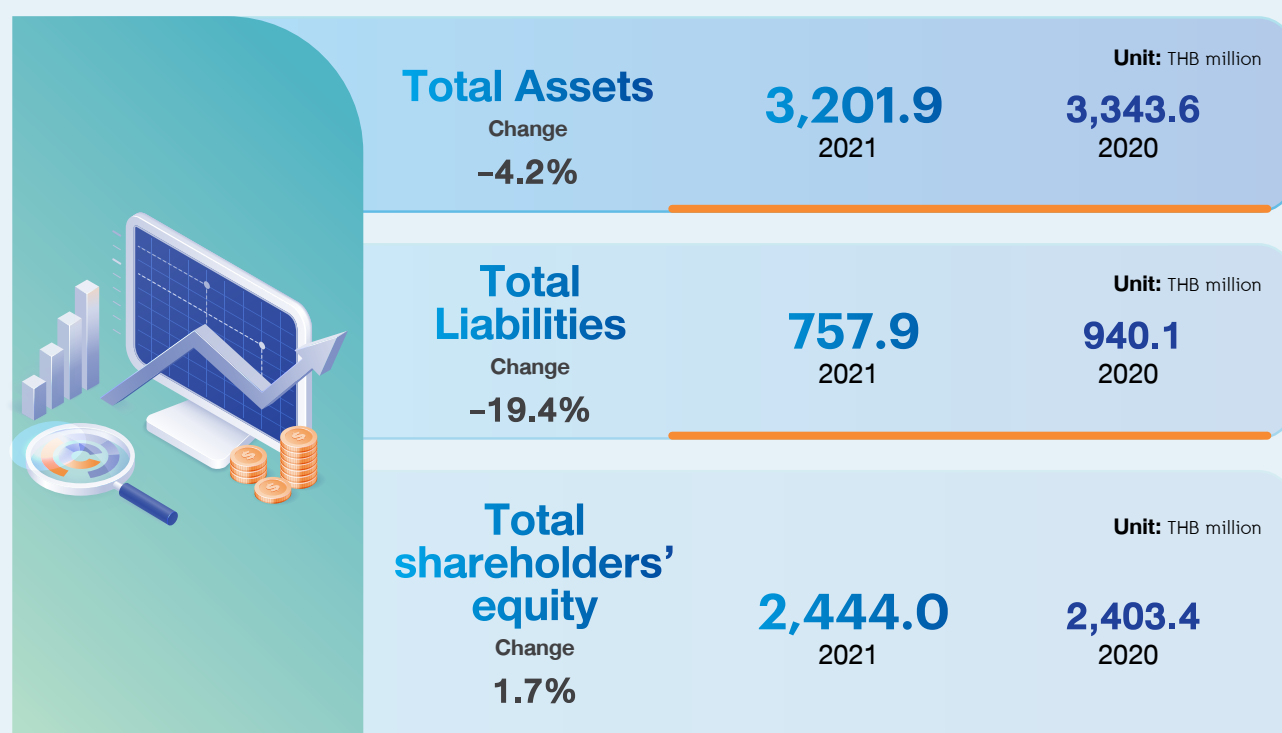
Sales	Revenue	Cost of Sales	Gross Profit
Unit: THB million			
 2022 4,888.3 2021 4,773.1 Change 2.4%	 2022 4,959.5 2021 4,834.0 Change 2.6%	 2022 4,482.0 2021 4,278.2 Change 4.8%	 2022 406.3 2021 494.9 Change -17.9%
Gross Profit Margin	Net Profit Attributed to Shareholders	Net Profit Margin	EPS
Unit: %	Unit: THB million	Unit: %	Unit: THB
 2022 8.3% 2021 10.4% Change 209 Bps.	 2022 109.5 2021 211.5 Change -48.2%	 2022 1.8% 2021 4.4% Change 262 Bps.	 2022 0.22 2021 0.50 Change -56.0%

The Company fully comprises of the knowledge, expertise in production, industry, and capital as well as be accepted in wide-range both domestic and international.

Key Financial Ratios



Consolidated Financial Position



Board of Directors



Mr. Rittirong Boonmechote

Chairman of the Board of Directors /
Chairman of the Executive Committee /
Member of the Nomination and Remuneration Committee



Mr. Thiraphong Chansiri

Director / Member of
the Executive Committee



Mr. Kanit Vallayapet

Director



Mrs. Rachadaporn Rajchataewindra

Chairman of the Audit Committee /
Member of the Nomination and Remuneration
Committee / Independent Director



Mr. Cheng Niruttinanon
Director



Mr. Chan Shue Chung
Director



Mr. Bunluesak Sorajjakit
Director / Member of the Executive
Committee / Chief Executive Officer



Dr. Somchai Thaisanguanvorakul
Member of the Audit Committee /
Chairman of the Nomination and Remuneration
Committee / Independent Director



Mrs. Morragot Kulatumyotin
Member of the Audit Committee /
Independent Director

01 BUSINESS OPERATIONS AND PERFORMANCE



To be the producer of
the best aquaculture
feeds for sustainable
business operation

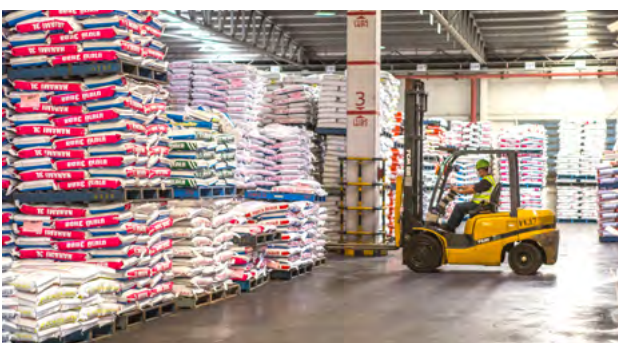


Policy and Business

1.1 Vision and General Overview 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) 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 economy, 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, 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**")¹, a major producer of shrimp feeds in India, which was one of the 500 largest companies in the country in 2020², 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 ("**PT MSK**"), 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) 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 Group³, 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)⁴. 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 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).

² Ranking by Fortune Magazine (source: AVANTI's Website as of 12 August 2021).

³ AMG Group consists of (1) Mr. Nabeel Akhtar Chadry (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.

⁴ Actual Foreign Exchange Rate (source: The Company's financial statements).

Vision Mission and Values of the Company

Vision

To be the producer
of the best
aquaculture feeds
for sustainable
business operation



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.



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 red-tail 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 45001:2018, 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 are 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.

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".



2001

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.

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 vannamai. (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.



2007

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.



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.



2012

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.



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 1⁵).



2019

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.



⁵ Actual exchange rate (source: The Company's financial statements)

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 ton 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)⁶.
- 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)⁷. AMG-TFM had started its commercial operations in the second quarter of 2021.



2021

⁶ 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).

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

- 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.

PT Thai Union Kharisma Lestari started its operation and commercial on 1 January 2022

2022

- In 2022, the Company's plan to invest in two (2) shrimp feed production line at Mahachai factory to apply with BOI license with CAPEX, totally THB 180 million. These production lines have completed and operated in December 2022.
- On 25 August 2022, the Executive Committee has resolved and approved the payment of the additional registered shares of AMG-Thaiunion Feedmill Private Limited in the shareholding proportion in the amount of USD 408,000 (or approximately THB 13.8 million) to support the expansion of the shrimp feed production. AMG-TFM will become the first shrimp feed manufacturer in Pakistan.
- In October 2022, the Company and the shareholders of PT Thai Union Kharisma Lestari have passed a resolution to increase the authorized share capital to repay a long-term loan. The Company has increased in the shareholding proportion in the amount of USD 4.94 million (or approximately THB 178.01 million)⁸ because the interest rate is in an uptrend and in order to reduce the Company's financial costs.



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)⁹ 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)¹⁰

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 since 1 January 2022.

⁸ Actual foreign exchange rate (source: The Company's financial statements)

⁹ The company proportion around IDR 25,990 million (approximately THB 64 million, @exchange rate IDR 434.8/THB)

¹⁰ Investment value in the amount of IDR 129,948 million or equivalent to THB 302 million

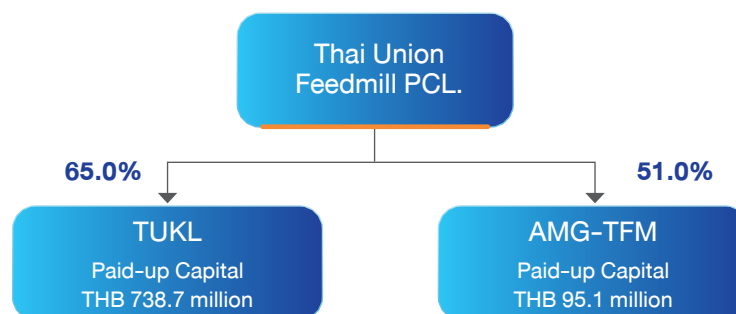


Investment in a Subsidiary in Pakistan

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)¹² 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.

The Company's Shareholding Structure

The Company's Shareholding Structure as of 31 December 2022



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.

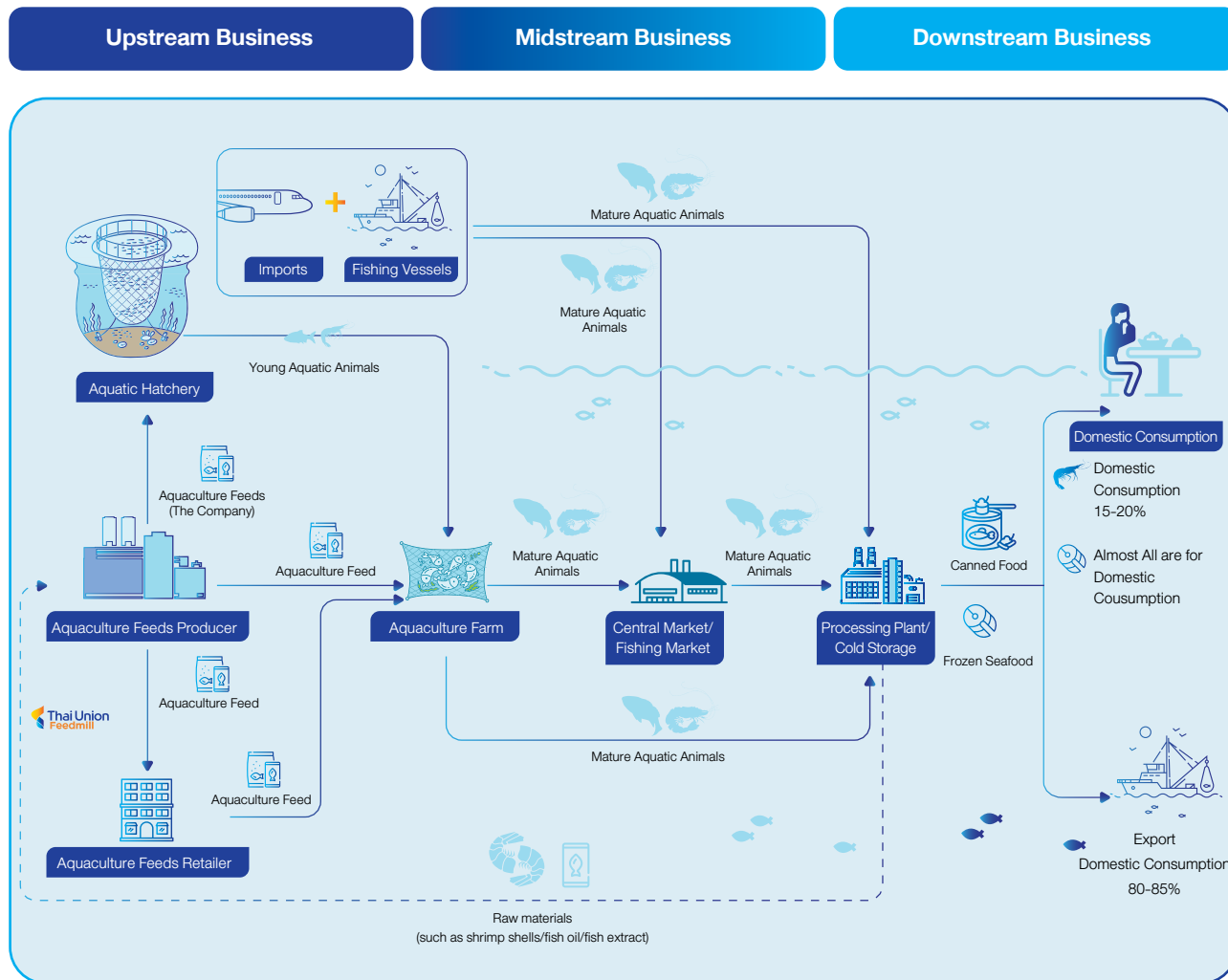
The remaining shareholder of AMG-TFM was the AMG Group who held shares in the proportion of 49.0 percent. The paid-up capital of AMG-TFM was calculated from the sum of the value of paid-up capital in THB.

¹² Actual foreign exchange rate (source: The Company's financial statements).

Relationship with Major Shareholders

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.

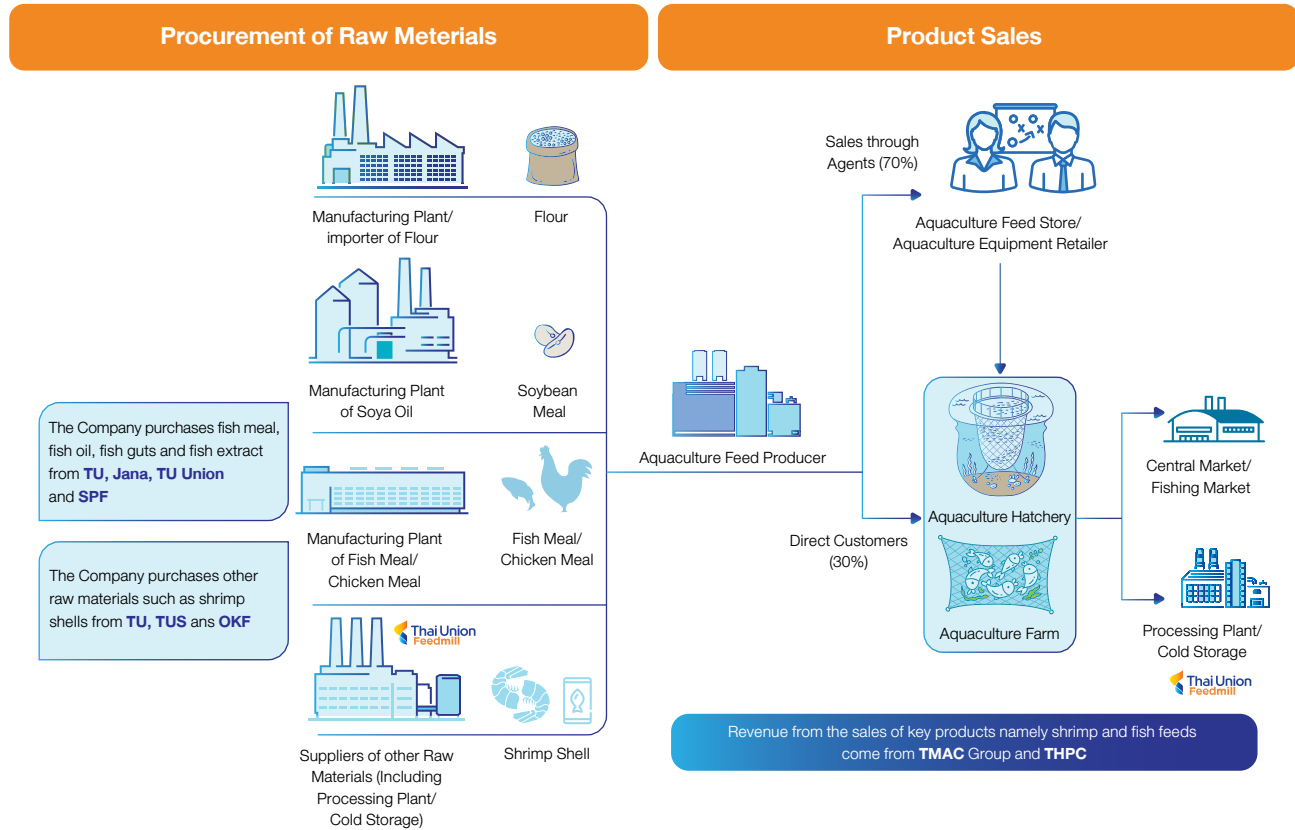


TU, as the major shareholder of the Company, is one of the global producers and distributors of canned seafood. TU has expanded its business to cover related businesses, covering key portions of the value chain of the industry related to aquaculture, through a number of subsidiaries. These are **(1) 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.

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 2022 (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.

3) Measures to Prevent Conflict of Interests between the Company and ITC

i-Tail offers the various type of pet products under its brands. i-Tail has engaged us to produce dry pet foods. On June 24, 2022, we entered into a memorandum with i-Tail to avoid future conflicts of interest which provided the following conditions:



1. We agreed not to directly or indirectly, engage or invest in any pet food businesses any other businesses which manufacture or sell pet-related products, whether under our trademarks or trademarks of our customers, or other businesses that compete with i-Tail or i-Tail group's businesses, with the exception of investments made through or with i-Tail or i-Tail group or the manufacturing of pet food or pet-related products in relation to purchase orders from i-Tail or i-Tail group; and
2. i-Tail agreed not to directly or indirectly, engage or invest in animal feed manufacturing businesses or businesses which manufacture or sell livestock-related products, whether under i-Tail's own trademarks or customers' trademarks of i-Tail group, or other businesses that compete with the businesses of us or our group with the exception of investments made through or with us or our group or the manufacturing of livestock-related products in relation to purchase orders from us or our group.



3. The memorandum shall terminate upon
 - a) A change in the shareholding structure of i-Tail or that of TU resulting in us and i-Tail no longer have the same group of "major shareholders," as defined in the Notification of the SEC; or
 - b) We and i-Tail are no longer listed on the SET.

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

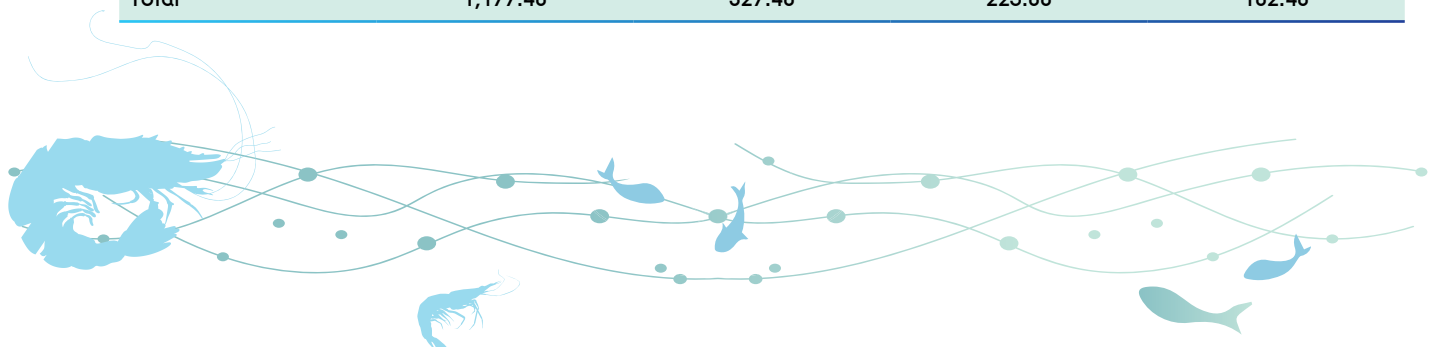
In 2020, the Company conducted a market trial in the seabass-related business. The Company purchased seabass from agriculturalists to process. This was a way of expanding the market for seabass and supporting agriculturalists who were the Company's customers. However, to prevent any conflict of interest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



Used of fund from the Initial Public Offering

Use of Proceeds Objective	Proceeds Utilization (Estimated)	Remaining Unutilized as of 31 December 2021	Actual Proceeds Utilization during 1 January- 31 December 2022	Remaining Unutilized as of 31 December 2022
1. Expansion of aquaculture feed production and distribution business in Indonesia	Not exceeding 250.00	250.00	180.00	70.00
2. Repayment of loans to financial institution	250.00-350.00	-	-	-
3. Used as working capital	577.40-677.40	77.40	45.00	32.40
Total	1,177.40	327.40	225.00	102.40



1.2 Nature of Business

Revenue Structure

Almost all revenue of the Company or approximately 99 percent of the total revenue during 2020–2022 came from sales. And during the same period, almost all the Company's sales or approximately 87–98 percent of sales revenue came from aquaculture feeds, namely shrimp and fish feeds (including frog and crab feeds). Towards the end of 2018, the Company expanded its business to include the production and distribution of livestock feeds such as poultry, and pig feeds.

The Company's revenue structure for the years 2020–2022 is shown in the table below.

Item	For accounting year ending on 31 December					
	2020		2021		2022	
	THB million	Percentage	THB million	Percentage	THB million	Percentage
Revenue from the Sales of Shrimp Feeds						
-Domestic	1,971.7	46.5	2,195.1	45.4	2,307.2	46.5
-International	128.8	3.0	200.5	4.1	215.0	4.4
-Subsidiary in Indonesia	0.0	0.0	0.0	0.0	96.2	1.9
Total Revenue from the Sales of Shrimp Feeds	2,100.5	49.5	2,395.60	49.5	2,618.4	52.8
Revenue from the Sales of Fish Feeds						
-Domestic	1,647.9	38.8	1,638.3	33.9	1,619.9	32.6
-Subsidiary in Pakistan	0.3	0.0	157.2	3.3	123.0	2.5
Total Revenue from the Sales of Fish Feeds	1,648.2	38.8	1,795.5	37.2	1,742.9	35.1
Revenue from the Sales of Livestock Feeds						
-Domestic	315.7	7.4	446.0	9.2	438.6	8.8
-Subsidiary in Pakistan	0.0	0.0	0.0	0.0	11.2	0.2
Total Revenue from the Sales of Livestock Feeds	315.7	7.4	446.0	9.2	449.8	9.0
Revenue from Other Sales ¹	119.5	2.8	136.0	2.8	77.3	1.6
Total Revenue from Sales	4,183.8	98.6	4,773.1	98.7	4,888.3	98.5
Other Revenue ²	60.7	1.4	60.9	1.3	71.2	1.5
Total Revenue	4,244.5	100.0	4,834.0	100.0	4,959.5	100.0

Remarks:

¹ Revenue from other sales mainly includes revenue from supplying raw materials to customers, the sales of shrimps and fish from the Company's aquaculture breeding research farm, and the sales of seabass-related products during a marketing trial.

² 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.

Product Information

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 abovementioned 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

Shrimps 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 breeders, 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 rates of growth, strength, and survival of aquaculture, widely accepted by the market, the Company has had the market share of 18 percent in 2022 (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, and husbandry methods. 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 13.0 percent market share of Thailand's fish feeds production in 2022 (according to the expected utilization of shrimp feeds by the Thai Feed Mill Association). and seabass feed market share was around 32 percent. 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 feed products can be categorized into four types, namely (1) seawater 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 husbandry 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 45001:2018	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 2022	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 2022	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	-
Sustainable Aquaculture Improvement Protocol (SEASAIIP)	Sustainable aquaculture improvement protocol from Asian Seafood Improvement Collaborative (ASIC)	March 2021	-
Listing in 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	11 January 2011	5 September 2012	28 July 2015	15 February 2021	19 November 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. 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 22 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. Permit to offset the amount of 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
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 22 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

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
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 2021	By 15 February 2024	By 19 May 2024
2. Period of machinery initiation	By 11 January 2017	By 5 September 2019	By 28 July 2021	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 560,631,695.54	Not more than THB 799,916,661.34	Not more than THB 611,117,376.58 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

Remarks:

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.



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.

Research and Development Policy, and Innovation in the Work Process, Products and/or Services or Business Models (if applicable)

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 seawater fish and promote sustainability of resources. It is estimated that at least 7,394,084 kilograms of seawater fish for fish oil are saved annually by the change to seaweed culture.

The Company's expenses for research and development for 2020, 2021, and 2022 were THB 62.3 million, THB 65.7 million, and THB 75.5 million respectively.

In addition, the Company produced the ornamental-fish in carp fish species to support the ornamental-fish market.

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.

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 2020–2022. The rest of the revenue, approximately 3–8 percent of the Company's total sale revenue during 2020–2022 mainly came from exports to Sri Lanka. 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 crabs, 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 feed 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 feed distributors, in general, the Company sets certain discount rates for customers at certain times. The consideration is based on (1) animal feed 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.



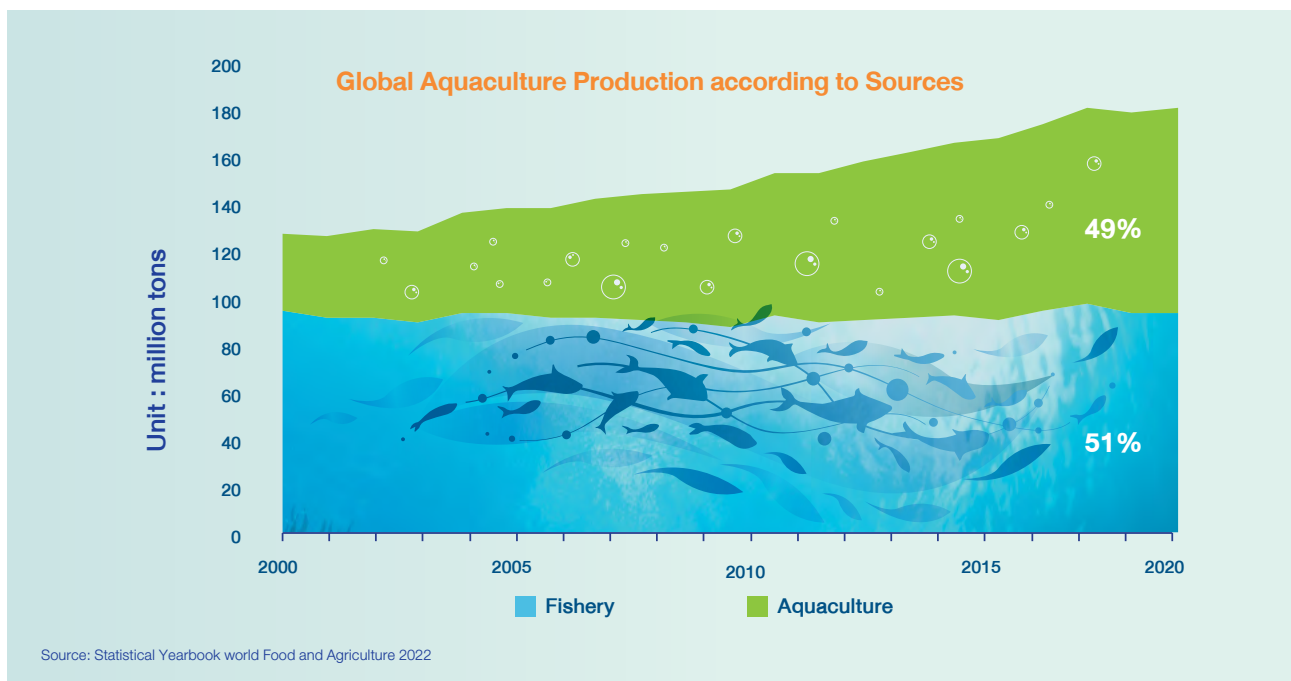
The Industry and Competition Conditions

The Industry

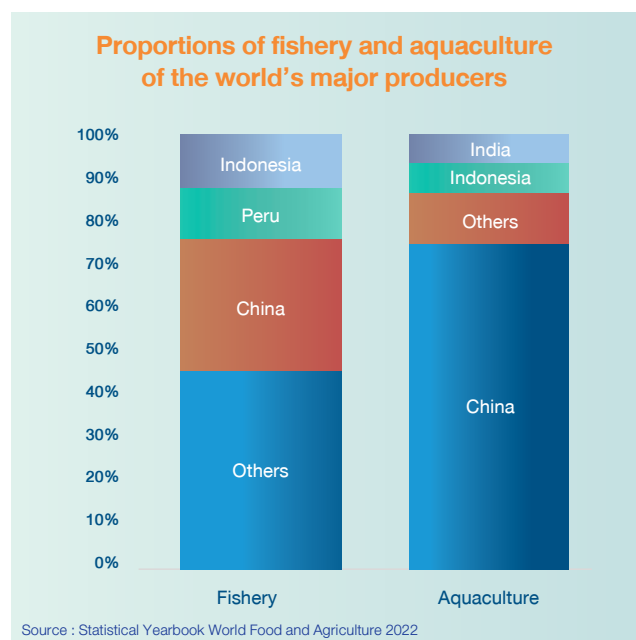
(1) The Global Aquaculture Industry

(Source : Food and aquaculture organization of the United States of America)

The production of aquatic animals across the world (not including aquatic plants) both from aquaculture and fishery has risen to approximately 178 million tons a year or 42 percent growth between 2000 and 2020. The expansion of aquaculture production nowadays comes mainly from farming. 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. In 2020, the America had a share of 12 percent, while China is by far the main producer for both capture fisheries and aquaculture, with a 36 percent share of the total production in 2020. Other major producers were Indonesia and India, and these three countries together represented 51 percent of total fisheries and aquaculture production. The overall share of the top three producers was 73 percent of aquaculture and 29 of capture fisheries in 2022. Despite this concentration of production aquaculture has experienced growth across the world, with the unequal rate reflecting differences in local policy as well as environmental factors.



(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 2022, Thailand had approximately 2,602,890 tons of aquatic animal products. Of this, 1,642,197 tons came from fishery and 960,693 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.

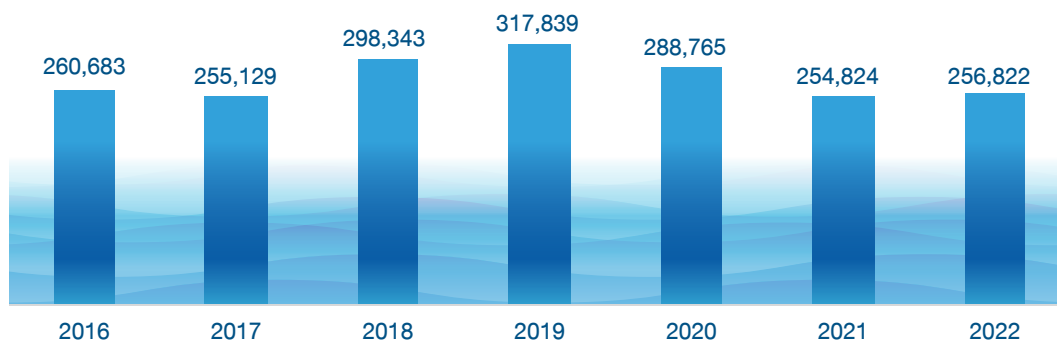
In 2022, the Thai Feedmill Association expected that the demand for aquaculture feeds would reach 1,090,000 tons (shrimp feeds 540,000 tons and fish feeds 550,000 tons), representing an increase of 5.8 percent year-on-year in 2021.

Shrimp Industry in Thailand

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

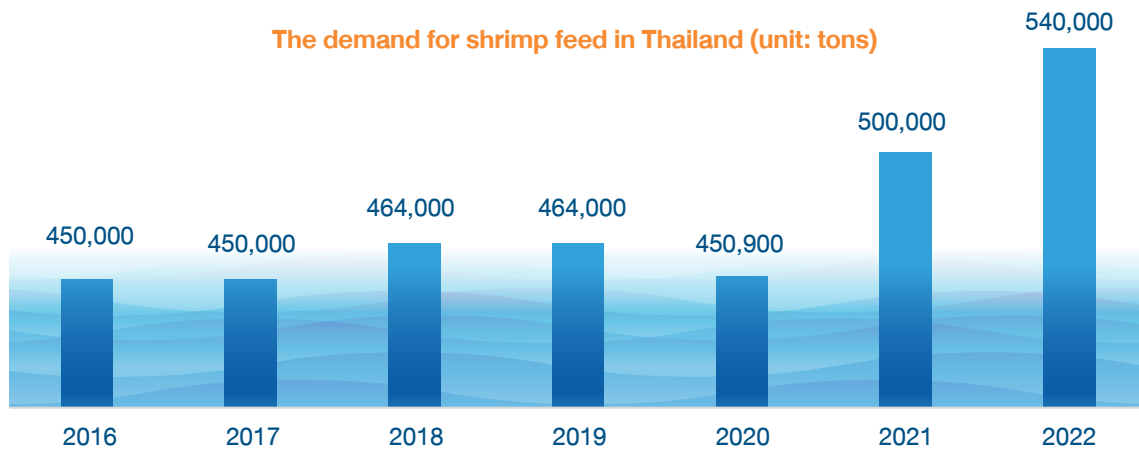
In 2022, the total shrimp production was 256,822 tons, increased 0.8% year-on-year as a result of the higher shrimp production price as well as the relaxation of COVID-19 control measure, caused a recovery of seafood consumption demand.

Amount of shrimp farming in Thailand (unit : tons)



Source : Thai Feedmill Association (TFMA)

The amount of shrimp feed production varies according to the demand for shrimp feed 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 2022, the amount of shrimp feed utilization would reach approximately 540,000 tons, an increase from the year before which stood at 500,000 tons.



Source : Thai Feedmill Association (TFMA)

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 feed producers. In Thailand, there are about 8 middle to large entrepreneurs involved in the business of aquaculture feed 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.

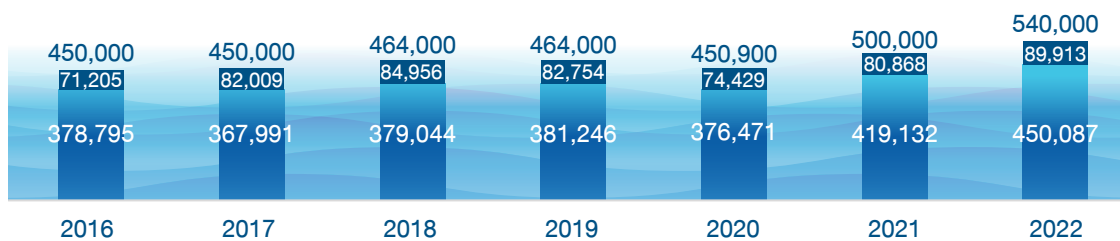
Important factors related to competition in the aquaculture feed industry are; (1) quality and consistency of products and services, where freshness and nutritional values of the products are key. Determiners are Average Daily Gain (ADG) and Feed Conversion Ratio (FCR) of aquatic animals; (2) price competitiveness 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 feed 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 feed 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 – 2022, the Company's shrimp feed market share grew from 15.8 percent in 2016 to 18.0 percent in 2022. The estimate of the use of shrimp feeds by the Thai Feedmill Association in 2022 stood at 540,000 tons. This led to higher market share of the Company's shrimp feeds from 16.2 percent in 2021. The sales, however, grew from 80,868 tons in 2021 to 89,913 tons in 2022.

Amount of Shrimp Feeds sold compared with the amount of shrimp feeds in the industry during 2016–2022 (tons)



Source: Thai Feedmill Association and the Company's data

Procurement of Goods and Raw Materials for the Production

Production Bases and Capacity

As of 31 December 2022, 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 feed 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. In addition, the Company also has the production plants in overseas including the shrimp feed production plant in Indonesia as well as fish feed and live-stock feed production plant in Pakistan,

Since animal feed 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.

Procurement of Raw Materials

Raw materials that are used in the Company's animal feed 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 2019–2022. Other raw materials include vitamins and minerals, additives, and containers.

Over 80 percent of raw material expenses during 2019–2022 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 2019–2022. 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 material 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 material delivery plan based on the Company's raw material 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 material 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 material 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 meals 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. (Wheat flour 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 feed formula. 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

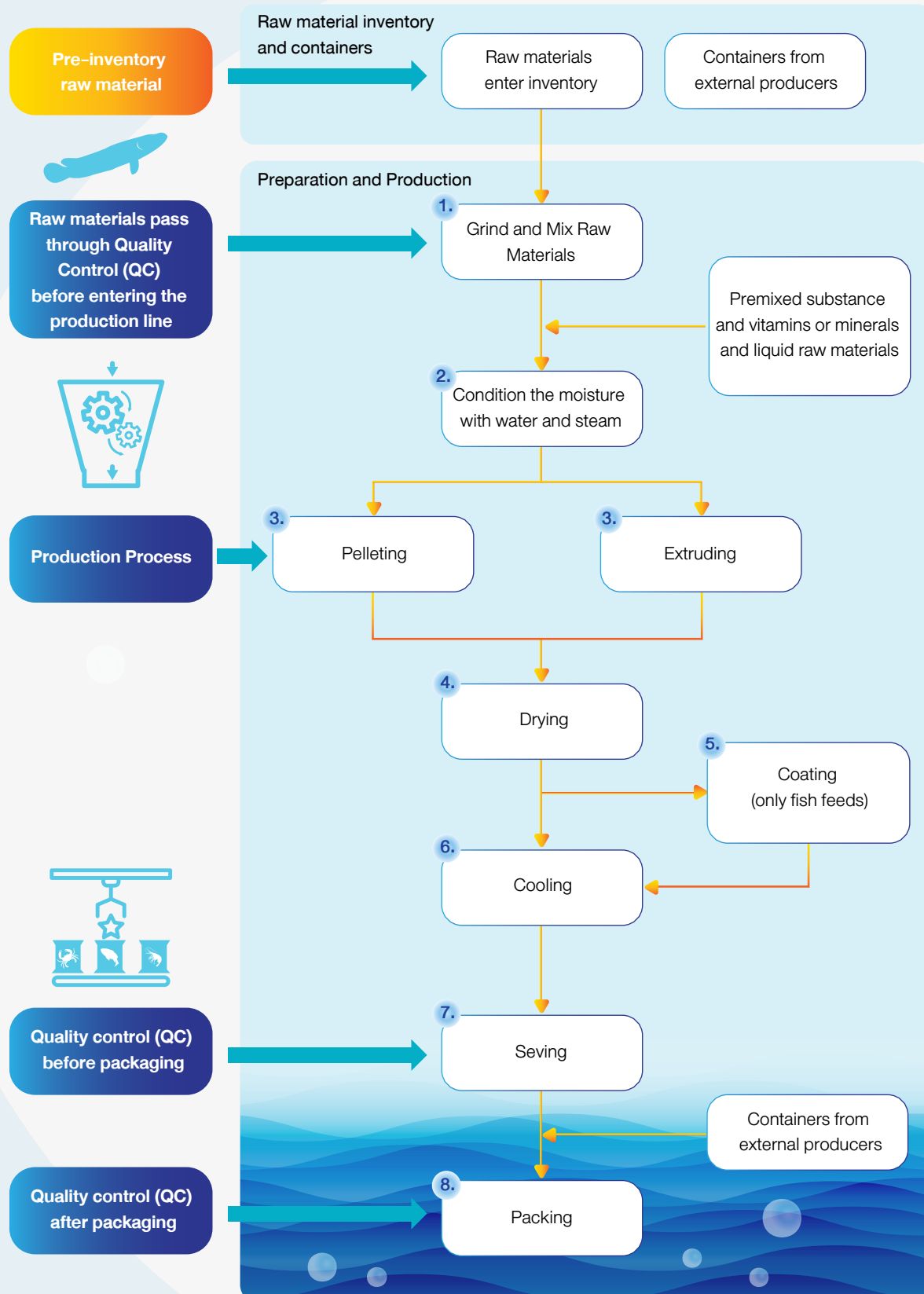
- (1) Binders—make feeds last in water.
(2) Feed favoring agents—help enhance smells and flavors of feeds.

- (4.4) Containers – are packaging materials for the Company's products. They are made from materials that prevent moisture from contacting the feed. 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.



Production Process





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 feed 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 feed for tiger prawns, freshwater prawns, herbivorous freshwater fish, carnivorous freshwater fish, carnivorous seawater fish, frogs, broilers, layers, local chicken, duck layers, duck, quails, pigs, beef cattle, and milk cattle are specifically controlled animal feed 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 feed, the licensee shall register the animal feed to the Department of Livestock Development. The licensee may produce or import such animal feed only after receiving a certificate of registration. The certificate of registration of animal feed 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 feed 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 feed or ingredients of animal feed 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 THB fifty 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 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 THB two hundred 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, 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.

Assets used in Business Operations

Core Fixed Assets

As of 31 December 2022, 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 2022, 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 1,556.6 million or 48.6 percent of the total assets. Details are as follows:

Item	Type of Ownership	Net Value (THB million)
1. Land and land improvements	Company-owned	343.0
2. Buildings and building improvements	Company-owned	487.1
3. Machinery and factory equipment	Company-owned	563.2
4. Furniture, fixtures and office equipment	Company-owned	10.0
5. Vehicles	Company-owned	2.0
6. Assets under construction	Company-owned	151.3
Total		1,556.6

Right-of-use Assets

As of 31 December 2022, 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 9.2 million or 0.3 percent of the total assets. Details are as follows:

Item	Type of Ownership	Net Value (THB million)
1. Land and land improvements	Rented from a party that may be in conflict/an external party	3.0
2. Buildings and building improvements	Rented from a party that may be in conflict/an external party	2.6
3. Furniture, fixtures, and office equipment	Rented from a party that may be in conflict/an external party	0.6
4. Vehicles	Rented from an external party	3.0
Total		9.2

Intangible Assets

As of 31 December 2022, the Company had the computer program as the intangible assets. The net value of the assets, according to the Company's financial statements was THB 1.4 million or 0.04 percent of total assets.

Investments in Subsidiaries

As of 31 December 2022, the Company's value of investment calculated with the cost method was THB 528.7 million or 18.1 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 Thaiunion Kharisma Lestari (TUKL)	65.0	IDR 309,360 million	480.2
AMG-Thaiunion Feedmill (Private) Limited (AMG-TFM)	51.0	PKR 500 million	48.5

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.

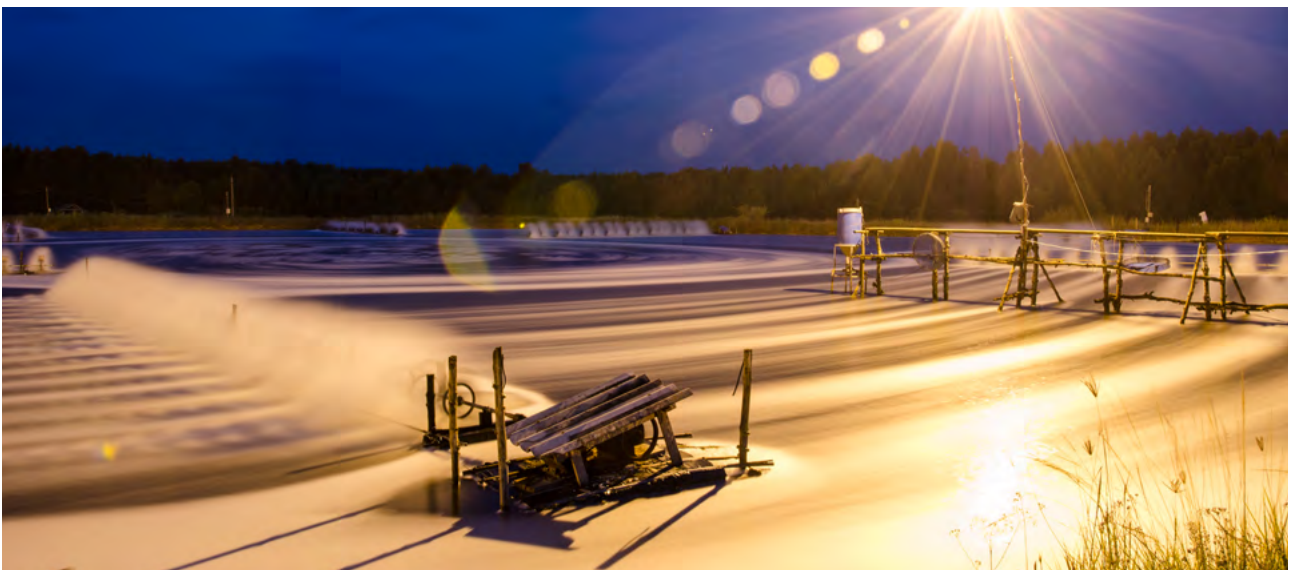
The Company invests in a business that complements and/or relates to the main business of the Company. The business must have the potential to grow and generate income and profits for the Company. In the case of a subsidiary or a business that the Company has the authority to control, the management 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.

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.



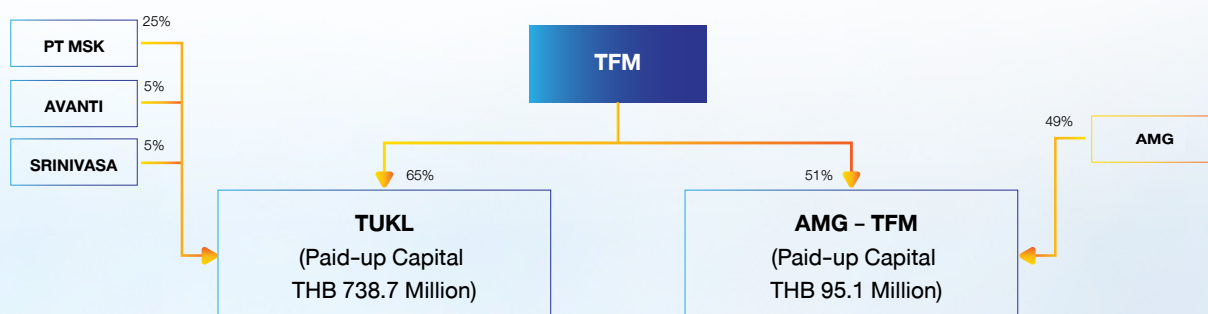


- 2) The Company prioritizes investments in the Company's key business, namely the commercial production and distribution of animal feeds. In this regard, the Company invests in businesses that support or are related to the Company's main business. The Company will consider the growth potentials and 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

Shareholding Structure

The Company Structure as of 31 December 2022



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 (THB Million)	Paid-up Capital (THB Million)	Total of paid-up share	No. of shareholding	% of shareholding	Type of share
1	PT Thai Union Kharisma Lestari Limited (TUKL) Tel: +62 (0) 31-7491000	Indonesia	Manufacturer and distributor of animal feeds	738.7	738.7	30,936,000 shares	20,108,400 shares	65%	Common share
2	AMG-Thaiunion Feedmill (Private) Limited (AMG-TFM) Tel: +92 (0) 34-58460707	Pakistan	Manufacturer and distributor of animal feeds	95.1	95.1	4,600,000 shares	2,346,000 shares	51%	Common share



Major Shareholders

(1) Top 10 major shareholders as of record date on 30 December 2022 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	61,490,500	12.30
2.2 Mrs. Nittaya Boonmechote	4,500,000	0.90
Total share of group of Mr. Rittirong Boonmechote	65,990,500	13.20
3. Mr. Bunluesak Sorajjakit	15,500,000	3.10
4. Ms. Rungtiwa Boonmechote	9,425,000	1.89
5. Mstr. Kantapong Piemongsuk	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	120,732,125	24.15
Total	500,000,000	100.0

Remark:

¹ Top 10 shareholders of TU as of record date on 30 December 2022 which including their associates and persons who are under controlling persons shall be as follow:

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

Top 10 shareholders of TU	No. of share	%
1. Chansiri Family	966,896,296	20.26
2. Thai NVDR Company Limited	510,639,082	10.70
3. Niruttinanon Family	329,654,084	6.91
4. MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD	297,745,120	6.24
5. Ms. JARUNEE CHINWONGWORAKUL	215,000,000	4.51
6. Social Security Office	127,086,508	2.66
7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	124,931,036	2.62
8. Thai Union Group Public Company Limited*	116,682,800	2.45
9. STATE STREET EUROPE LIMITED	95,429,770	2.00
10. Boonmechote Family	94,103,480	1.97
Total	2,878,168,176	60.32

Remark:

* No. of treasury stock of TU

(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 2022

As of 31 December 2022

No.	Name	Position	No. of shareholding as of 31 December 2021	No. of shareholding as of 31 December 2022	No. of share which change (increase/decrease) in 2022	% of shareholding
1	Mr. Rittirong Boonmechote	Chairman of the Board of Director/Chairman of the Executive Committee	59,190,500	61,490,500	2,300,000	12.30%
	Spouse and minor child		4,500,000	4,500,000	-	0.90%
2	Mr. Thiraphong Chansiri	Director/Member of the Executive Committee	3,250,000	3,250,000	-	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/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/Independent Director	-	-	-	-
	Spouse and minor child		-	-	-	-
8	Dr. Somchai Thaisanguanvorakul	Member of the Audit Committee/Independent Director	-	-	-	-
	Spouse and minor child		-	-	-	-
9	Mrs. Morragot Kulatumyotin	Member of the Audit Committee/Independent Director	-	-	-	-
	Spouse and minor child		-	63,000	63,000	0.01%

No.	Name	Position	No. of shareholding as of 31 December 2021	No. of shareholding as of 31 December 2022	No. of share which change (increase/decrease) in 2022	% of shareholding
10	Mr. Suchat Yuddon	Senior Vice President and (Acting) Vice President-Sales and Marketing	-	-	-	-
	Spouse and minor child		-	-	-	-
11	Mr. Chertchoo Ketkaew	Vice President-Plant Operations	-	-	-	-
	Spouse and minor child		-	-	-	-
12	Mr. Preecha Bangnokkhwaek	Vice President-Research and Development	-	-	-	-
	Spouse and minor child		-	-	-	-
13	Ms. Tipupsorn Kamlangngarm	Chief Financial Officer	-	-	-	-
	Spouse and minor child		-	-	-	-
14	Mr. Komgrit Pavasuttinon	Vice President-Accounting, Finance and Credit Control	-	-	-	-
	Spouse and minor child		-	-	-	-
15	Ms. Sillapawanna Limpasophonpanich	Vice President - Human resource	-	-	-	-
	Spouse and minor child		-	-	-	-
16	Ms. Kanthima Reanarom	Accounting Manager	-	-	-	-
	Spouse and minor child		-	-	-	-
17	Mrs. Savitri Jaiprasong	Financial Manager	-	-	-	-
	Spouse and minor child		-	-	-	-

1.4 No. of registered and paid-up capital

As of 31 December 2022, the registered capital of the Company shall be THB 1,000,000,000, comprising of 500,000,000 shares with the par value of THB 2 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 (please consider the details of the loan agreement of TUKL).

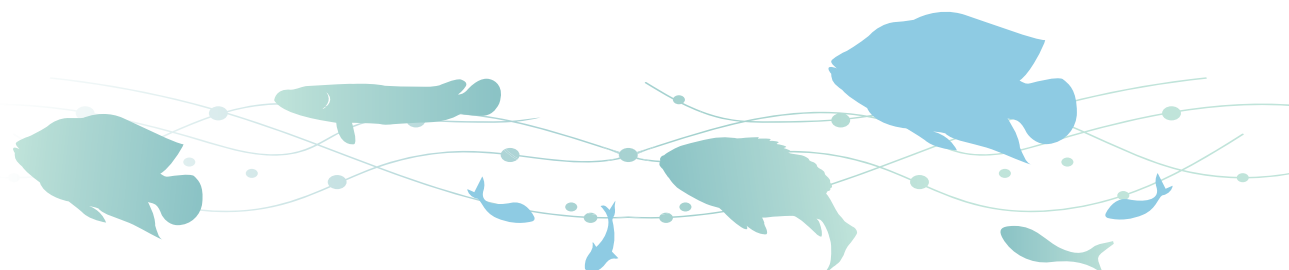
Dividend payment information

	2019	2020	2021	2022
Earning per share	THB 2.05	THB 1.00	THB 0.50	THB 0.22
Dividend per share	THB 1.95	THB 0.60	THB 1.15	THB 0.13 ²
Dividend payout ratio (%)	95.09%	59.75%	230.00% ¹	59.34%

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.

² In 2022, the interim dividend has been paid at THB 0.05 per share from the first-half operation and the rest shall be paid after approved by the shareholders



RISK MANAGEMENT

2.1 Risk Management Policy and Plans

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 promoting 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, there is no 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 until

the day they leave the Company, 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.

In addition, risk management is embedded in business planning, decisions and execution. Examples of key areas include:

- Strategic risks are considered in the strategy planning process and during the implementation of initiatives complying with the decided strategy
- New strategic investments, including M&A, new types of business investment, and large capital expenditure are embedded in risk management. The risk profile will be reviewed by the CEO for suggestions on the adequacy and appropriateness of the risk response

INCENTIVES

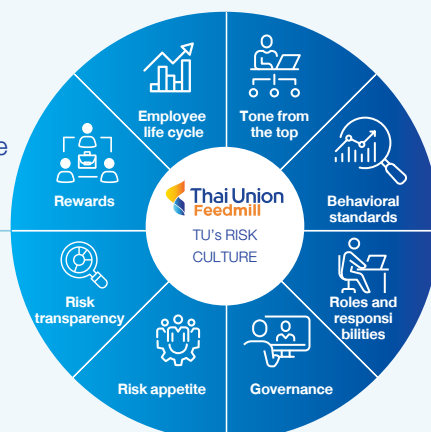
Providing the right motivations

Awareness of risks is emphasized from the very first day and throughout the employee's lifecycle

RISK FRAMEWORK

Taking the right risks

Risk appetite is cascaded throughout the firm where risk are communicated with openness



LEADERSHIP

Communicating the right messages

Risk management is top of mind of the top – middle management who set desired behavioral standards

ORGANIZATION

Establishing the right environment

Clear accountabilities around risk management with quality of risk governance structure



Risk Management Framework

The Company's risk management framework is in accordance with the international standards of COSO ERM. It is a guideline for management and employees to operate consistently. The framework is designed to identify, assess, manage, monitor and communicate systematically and consistently in order to minimize the probability of risks occurring and limit their potential impact on Company business.

Risk Management Organization

The Board of Directors has a duty to ensure the effective risk management and mitigation. The risk management team has been assigned by the Board of Directors to control and develop the risk management procedure as well as the reporting of the risk to the Board of Directors, regularly. Risk management team is responsible to evaluate the risk factors both internal and external factors. The risk management team is composed of the management and executive of each department related to those risk factors. It would be analyzed the cause of risk to determine the risk management measures into the operational guideline to mitigate or reduce the impact from those risk, as well as monitoring the result to ensure that it complies with the measures and coordinate with the Audit committee to propose to the Board of Directors.

Key Risk Indicators (KRIs)

For materiality risks, Key Risk Indicators, or KRIs, are set up and closely monitor movement. KRIs provide an early signal of increasing risk exposures in various areas of the enterprise and can be lagging and leading indicators. For example, the Company closely monitors the raw material price trend compared to the past and the annual budget.

Main RM Price Variance-Fish Meal
0-10%



Main RM Price Variance-Soybean Meal
0-5%

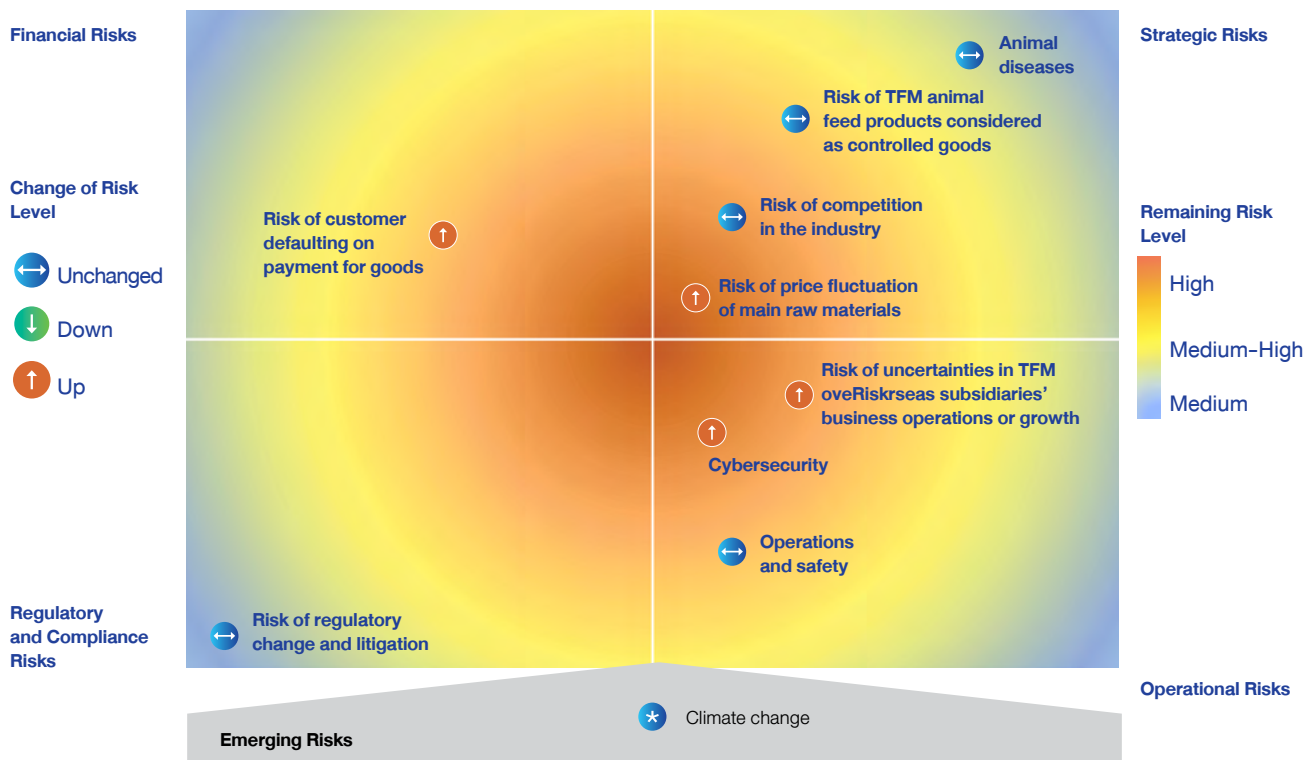


Main RM Price Variance-Wheatflour is imported
0-5%



2.2 Business risk factors

The company's business risk factors that may significantly affect investors' return on investment and approaches to prevent such risks can be summarized as follows:



(1) Risk from the volatility of raw materials used in manufacturing, which may affect the company's raw material costs

Raw material cost is one of the company's major business expenses. In 2022, the cost of raw materials accounted for more than 80 percent of the aggregate sales costs. The company's 3 types of key raw materials used in manufacturing are soybean meal, wheat flour, and fish meal (with a combined share more than 65 percent of the company's raw material costs). The average costs of the company's raw materials in 2022 increased by 10–20 percent from 2021 due to rising inflation, the challenge of managing the global supply chain disrupted by COVID-19 and the Russia-Ukraine war, and depreciation of the Baht.

The abovementioned factors have significantly raised the raw material costs. Since the company is unable to adjust the price of products to fully and/or partially reflect such increase, as

such, the company's manufacturing costs, profit margins and operating results have been significantly affected.

The company manages the risks by adjusting its product portfolio to focus more on products with higher profit margins and by effectively managing the manufacturing costs.

In addition, the company sources its raw materials from major suppliers in respective industries, ensuring, to a certain extent, uninterrupted supplies at sufficient quantity and appropriate price to meet the company's demand for raw materials. In some cases, the procurement team would deal with the suppliers to agree in advance on pricing, quantity, and delivery schedules. Moreover, the procurement team may consider stockpiling certain raw materials with a long shelf life, e.g. fish meal, when a possible shortage is looming. This is to ensure that enough high-quality raw materials can be procured to meet the company's demand at an appropriate cost.



(2) Risk of industry competition

The company faces competition from several players in the aquaculture feed industry. They are reputable operators in terms of product quality, manufacturing capacity and funding source to increase the manufacturing capacity, including the industry's long-established player with a large market share.

In 2022, the COVID-19 pandemic had caused an economic downturn worldwide as well as in Thailand, affecting the demand for shrimp and fish consumption, their prices, and the sales of aquaculture feed in general. The demand for animal feed also declined compared to the previous year mainly due to outbreaks of a swine disease, reduced demand for chicken feed, as well as rising costs of raw materials and limited scope for upward price adjustment.

In addition to adjusting the product portfolio by focusing more on products with higher profit margins, the company also managed its risks by continuously striving to enhance its competitiveness to meet our customers' various needs. This included product and manufacturing formula development; launching new products to gain an advantage in a particular market, e.g. sea bass feed, crab feed, and feed for gourami and Asian redtail catfish; manufacturing cost management to enhance price competitiveness; procuring baby shrimp breeds; identifying a market for customers; setting a suitable credit line and credit term for respective customer businesses; and maintaining good customer relations.

(3) Risk from having the company's animal feed products classified as controlled goods

Animal feed products are controlled goods in terms of pricing. Operators are required to report the prices of each product category and must obtain an approval from the Department of Internal Trade, Ministry of Commerce. The product price cannot be set higher than what was reported and approved without submitting a new request and obtaining a new approval. The Department of Internal Trade will then consider the request taking into account a number of factors, including manufacturing cost, operator's average gross profit margin, and industry's average gross profit margin. As the process takes time, the company cannot adjust the price to immediately reflect the actual manufacturing costs.

The company manages its risks by focusing on managing the efficiency of its manufacturing costs, ensuring that the company's average manufacturing costs remain competitive in the industry. It does so by seeking to enhance the efficiency of manufacturing costs, especially regarding raw materials which are the company's main business expenses. This is achieved through raw material procurement planning in accordance with the availability and price of the raw materials, so as to obtain raw materials at a suitable price for each period. In addition, research and development on raw materials and feed formula is being carried out to improve diversification, reduce dependence on certain raw materials, and mitigate the risk of price fluctuation.

(4) Risk of customer default

The company's main customer groups are animal feed shops and aquaculture farmers, which are mostly domestic and international small and medium enterprises (SMEs). The credit term for almost all of them is set at not exceeding 60 days.

Therefore, the company bears the risk of adverse events affecting the business operations of aquaculture farmers who are its debtors, e.g. flooding of shrimp or fish farms, or other negative events affecting the aquaculture market. Thus, the company is required to record allowances for doubtful accounts and/or bad debts in case of receivable for delivered goods unlikely to be collected.

The company recognizes the importance of customer default risk and its impact, and manages such risk with an appropriate and cautious credit term policy, to serve as a standard guideline for setting the credit limit, credit term, and credit conditions. Moreover, the procedure of approving credit is divided to stages where applications are pre-screened before submitting to an authorized person for a final decision.

In case of debtors with overdue payments, the company regularly follows up and asks for payment for goods to be made. Different approaches apply for different approaches apply for different groups of debtors (categorized by the duration of overdue payment, while a quarterly report is regularly submitted to the company's Board of Directors

(5) Risk from business uncertainty or uncertain growth of the company's overseas subsidiary companies

The company entered joint ventures with local business partners operating a business and/or having experience relating to the manufacturing and selling of aquaculture feed, to form subsidiary companies to manufacture and sell aquaculture feed in 2 countries: TUKL subsidiary in Indonesia where the company has a 65.0 percent stake; and AMG-TFM subsidiary in Pakistan where the company has a 51.0 percent stake, as of 31 December 2022.

However, as these investments are made in countries that the company was not familiar with and had no prior business experience, several risk factors were encountered. Construction

Raw material cost is one of the company's major business expenses.

In 2022, the cost of raw materials accounted for more than 80 percent of the aggregate sales costs.



delays of the TUKL manufacturing plant because of COVID-19 prevent and control measures, understanding the behavior of aquaculture feed buyers and market conditions together with the costs of raw materials have affected the company's operations, cashflow and financial position in 2022.

The company carefully manages its business expansion plan. It decided to partner with PT MSK and AMG Group, a major player in frozen processed food business in Indonesia and a manufacturer of aquaculture feed in Pakistan respectively. Having local partners, with business experience in their respective countries, helps mitigate operational risks. In addition, the company hires qualified persons to oversee operations of the subsidiary company, also regularly monitors investment performance and changes in factors affecting the target rate of return, including regularly report to the company's Board of Directors at least quarterly.

(6) Operations and safety

There are several possible risks in a manufacturing plant, e.g. occupational health and safety of employees, fire or flood damage, product quality control, and inventory management. These factors may directly and indirectly impact the company's sales and targets.

The company recognizes the importance of operational excellence and self-improvement. With regard to the safety risk, the company assesses the risk in each manufacturing plant as the risk patterns continue to change by human-induced causes or natural disasters. Additionally, the company constantly assesses its safety risk. We carry out projects on structural engineering, risk management and risk mitigation, e.g. developing a master plan which is a collection of standardized operational guidelines and required investment, and in particular a project to mitigate the risk of fire and flood. Moreover, the company carefully considers its investment in new projects and any changes of plant design, construction, equipment, machinery and other issues with implications on safety, health and environmental (SHE) risks. This is to ensure that SHE consideration framework is adhered to before approving any investment.

On product quality control, the company uses an internationally-recognized quality management system.

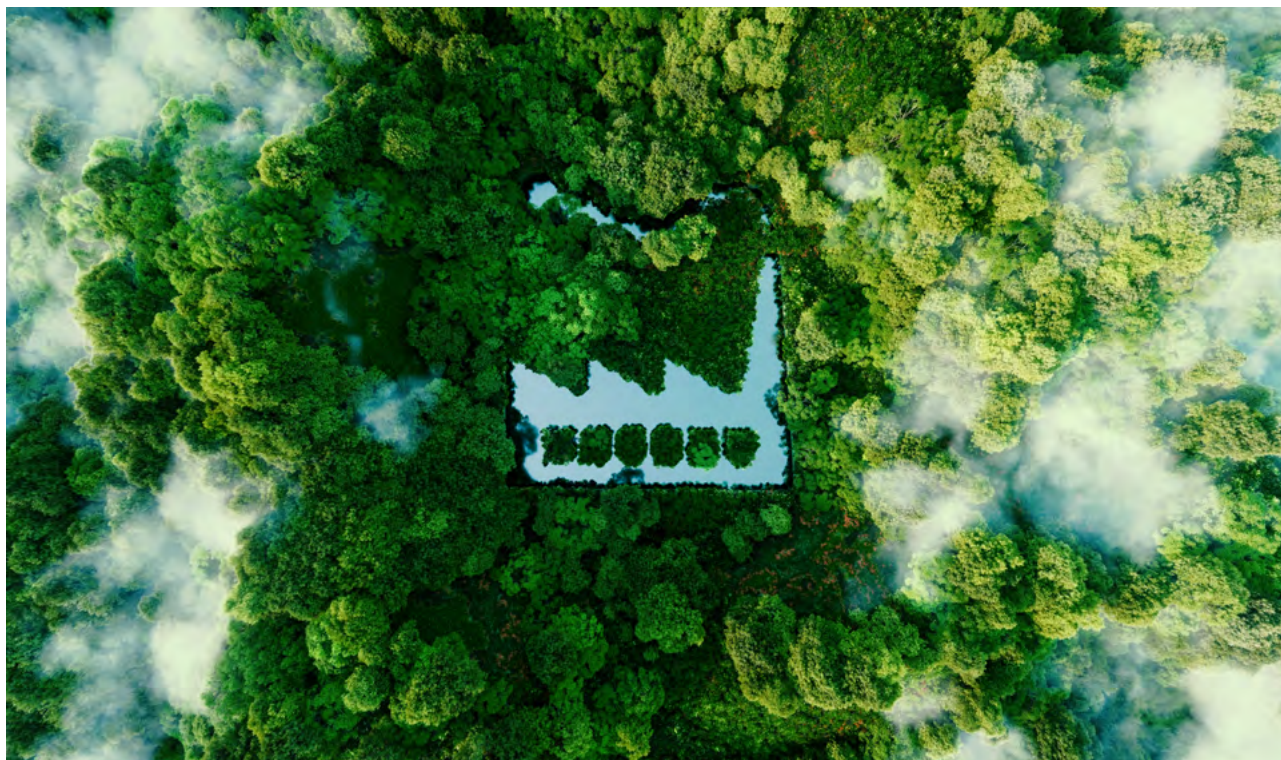


The internal quality control management system has been inspected and independently certified, e.g. with the ISO 9001:2015 system standard by URS, SEASAIP system standard by NSF, Good Manufacturing Practice (GMP) system standard by the Department of Fisheries, and GMP certificate from the Department of Livestock Development.

(7) Cybersecurity

Working patterns have changed at speed due to changing conditions, e.g. the COVID-19 pandemic has pushed businesses to rely more on technology and collaboration. Nonetheless, the phenomenon has cybersecurity implications as threats have become more complex and can come from increasingly varied access channels. Cybersecurity risks can render computer systems and software inoperative. Worse still is an attack that gains unauthorized access to operate the system or use the data therein, resulting in damage to sensitive and confidential data. This type of risk may lead to failure to deliver customer orders or additional operating expenses, and it could result in fines and sanctions imposed by the regulatory body. Not only would this be damaging to the company's reputation, but it would also cause the stakeholders to lose confidence in the company.

The company recognizes the importance of cybersecurity and the security of every level of information technology system, from overseeing the structure, policy and technology, to recruiting capable personnel and adopting appropriate procedures. Our



measures to mitigate cybersecurity risks are as follows:

- Creating a committee on information technology security, co-chaired by Chairman of the Executive Committee and Chief Executive Officer, to oversee policies and guidelines on information technology security to ensure consistency with the business direction and effectively safeguard business operations against cyber threats;
- Creating a work unit on cybersecurity which directly reports to the committee on information technology security, to determine the strategic direction of information technology security, data system and data security, and program on information technology risk management; to improve the overall security and strength of the infrastructure; and to raise awareness and organize trainings for the employees from all departments;
- Formulating a framework and response plan to counter cyber threats;
- Investing in multi-tiered information technology security, i.e. from secure equipment to secure applications, to secure network, as well as effective and around-the-clock information technology security monitoring at all locations;
- Preparing a system recovery plan for key applications, so that urgent and core matters can be managed and users can operate uninterrupted on a secondary system, as well as

regularly organizing a cyber threat response drill to ensure business continuity;

- Raising awareness about the need for flexibility and adaptability by the management;
- Developing a framework for business continuity management for the main manufacturing plant;
- The company plans to establish a security center in 2023, with the objective of 24-hour monitoring the security of the entire company group.

Emerging risks: climate change

Climate change is a global risk as the world is gradually warming up and encounter more frequent extreme weather events. A warmer world may pose physical risks for the company, e.g. impact on the oceans, marine animals and aquaculture, and agriculture in general. These are the lifelines of Thai Union Feedmill. Extreme weather events and natural disasters, e.g. floods and sea level rise may affect the company's manufacturing plants, quantity of raw materials, and the safety of our personnel.

The transition of stakeholders' needs or regulatory risks, for example the need to urgently implement the United Nations Convention on Climate Change to limit global warming below 1.5 degrees Celsius may necessitate additional investment or



adjustment in the manufacturing process or raw materials, in order to achieve the said target.

The company adopts a strategy to promote business sustainability and green business. At present, the company has implemented a project to reduce water consumption and greenhouse gas emissions as well as closely monitoring the risk of natural disaster at the manufacturing plant location.

In addition, in the near future, the company plans to study in depth the risks and impacts of climate change, both the physical impacts and the transition of stakeholders' needs or

regulatory risks, in order to formulating a long-term strategy and targets.

Investment risk affecting shareholders

Risk of share price and dividend yield fluctuation

The company's share price may fluctuate wildly due to several factors, including business operating results and other factors both within and beyond the company's control:

- Significant risks which may affect the business operating results as per the explanation under the heading the risks for business operations;
- Economic conditions, inflation, crisis or unusual situation;
- Geopolitics, trade disputes or changing trade sanctions;
- Change in policies, laws and regulations affecting the industry;

These factors may put a downward pressure on the share price or push it higher or both. Therefore, it is a risk that an investor must bear in terms of an expected return on investment.

Risk from investment in foreign securities (where the instruments were issued by foreign companies)

There is no significant risk.



Business Sustainability

3.1 Policy and goal on sustainability management

The company conducts its business with good governance and transparency, taking into account the stakeholders, economy, society, environment, reputation of the company, shareholders, and investors. Therefore, the company's business operations are underpinned by moralities and ethics, as well as being guided by governance to ensuring that its activities are carried out with honesty, transparency, and fairness. Possible negative impacts on the stakeholders, economy, society, environment, reputation of the company, shareholder, and investors are always considered, so as to come up with measures to mitigate them. The goal is to achieve business sustainability and sincerely demonstrate our responsibility towards the stakeholders, economy, society, environment, shareholders, and investors.

The company's corporate social responsibility (CSR) policy is morally-based, ensuring fairness for all stakeholders, as well as being guided by the principle of corporate governance to balance every aspect of the operations-economic, community, social, and environmental. This would lead to successful business development in a sustainable manner.

3.2 Managing the impact on stakeholders in the business value chain

Environmental stakeholder assessment

Since the company's operations are situated in various locations worldwide, it is necessary to conduct an assessment of significant issues. This is done by analyzing our global operations to identify and prioritize issues of significance for the stakeholders and overall business. The company always works with our main stakeholders to prioritize the sustainability risks and determine appropriate measures to address such challenges facing the company. Stakeholders directly participate in the process of review and contributing input regarding the company's strategic targets. The results are summarized in the table below:



Stakeholders	Issues	Company's response
Investors	• Social and environmental responsibility • Information transparency	• Climate change and environmental conservation • Corruption prevention, information disclosure and information reporting
Trading partners	• Fair and transparent procurement • Prevention of serious incidents that may disrupt business continuity and cause community impact • Purchasing order and consistency	• Environmentally-responsible procurement of raw materials • Trading partner assessment and capacity building
Customers	• Product quality (health and nutrition) • Environmental standards (ISO 14001) and green labeling	• Product innovation and responsibility (food quality and safety) • Responsible procurement of raw materials • Climate change and environmental conservation
Consumers	• Green labeling • Environmentally-friendly products • Food safety • Customer responsiveness	• Product innovation and responsibility (food quality and safety and ISO 22000) • Responsible procurement of raw materials
Employees / foreign workers	• Fair compensation and benefits • Fair treatment of workers • Career advancement opportunity	• Human rights and fair treatment of workers • Human resource development • Enhancement of employee benefits
Non-governmental organizations	• Social and environmental responsibility • Participation in social and environmental projects • Transparent information disclosure • Regulatory compliance • Corruption prevention	• Climate change and environmental conservation • Transparency report on procurement of raw materials • Corruption prevention, information disclosure, and information reporting
Community / educational institutions	• Social and environmental responsibility • Participation in social and environmental projects	• Climate change and environmental conservation • Community engagement
Media	• Transparent information disclosure • Responsive information disclosure	• Responsive information disclosure, transparency, and prevention oversight • Participation in significant issues

3.3 Environmental sustainability management

Environmental policy and guideline

The company's environmental management system was developed to be in line with the corporate sustainable development goals and other regulatory requirements. Thus, it focuses on climate change response with specific targets included in the company's primary work plan and environmental policy, striving to minimize negative environmental impacts on the community, society, employees or stakeholders. The risk and impact on the environment of each activity, process and service are taken into account to efficiently and continuously improve prevention. Environmental problems and other factors including energy consumption, resource and raw material utilization, and waste disposal (i.e. waste water, industrial waste, and air pollution) are used to guide system improvement and development, to achieving a more efficient manufacturing process that produces the least environmental impact.

Climate change

Natural resource utilization and waste disposal have created more and more environmental impacts as well as posing a threat to our operations and the environment on which we are dependent.

Therefore, it is crucial for TFM's operations to be responsible and protect the environment by reducing natural resource utilization in order to minimize the environmental impact. Several programs were initiated in this regard, including reducing water footprint, energy consumption, waste going to landfill, and greenhouse gas

emissions; greater adoption of renewable energy (solar cells); and improving the efficiency of the company's environmental work. The company has obtained relevant environmental certifications, such as "green industry" using a number of systems to control and reduce the environmental impact created by TFM's operations on sustainability.

TFM recognizes the importance of greenhouse gas reduction and has implemented energy-saving measures. In 2022, the amount of greenhouse gas emissions from business operations increased 7 percent compared to the figure in 2021 to 38,909.83 tons of carbon dioxide equivalence. Moreover, the company achieved the target of 2-percent water utilization reduction, whereas the amount of landfill waste from business operations increased 18 percent.

With these efforts, TFM is transitioning towards an organization that reduces its carbon footprint and the impact of greenhouse gases on the environment and society.

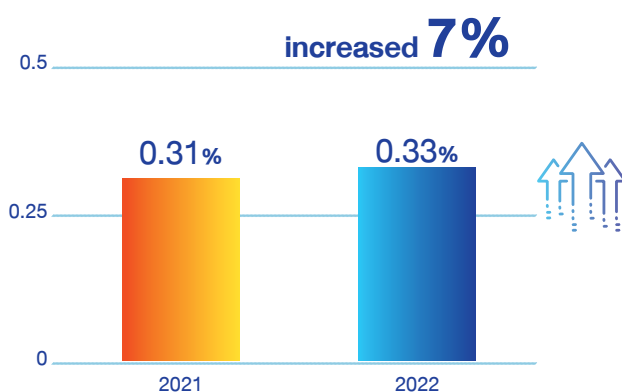
Resource and environmental management

TFM strives to achieve efficient natural resource and environmental management, both in terms of economical use and conservation, ensuring the sustainability of natural resources and the environment as well as minimizing the environmental impact.

Energy

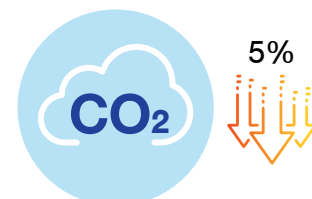
Total greenhouse gas (GHG) emissions intensity

Total Intensity of greenhouse gas (GHG) emissions.



GHG emissions in 2022

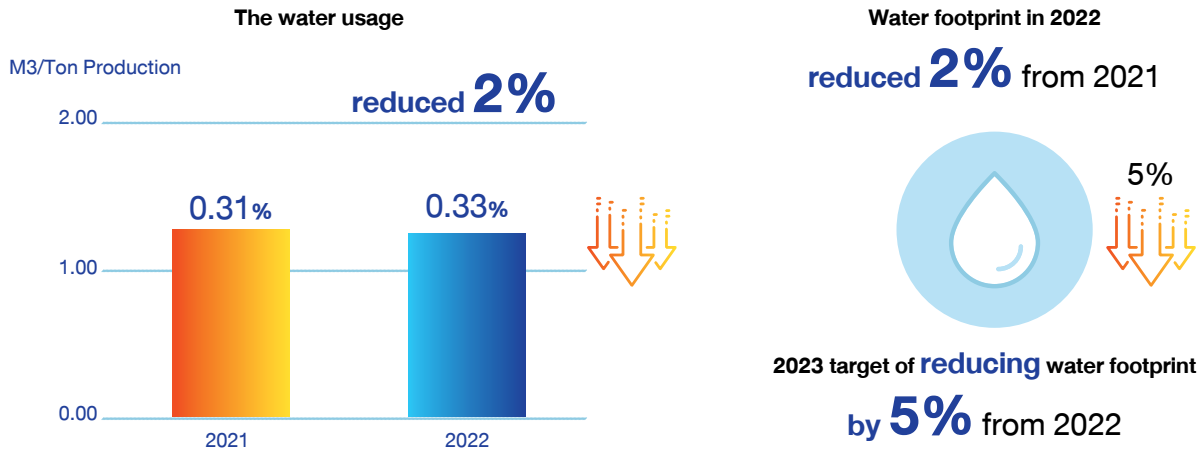
increased 7% from 2021



2023 target of reducing GHG emissions
by 5% from 2022

Water resource

Information on water footprint (Water)



Pollution and waste management

Air pollution

TFM uses a pollutants removal system, e.g. wet scrubber and bag filter, to treat industrial exhaust gases before they are released into the environment. The air quality is monitored, ensuring that it complies with the law or required standards. Measurement is taken twice a year. The results for 2022 showed that the amount of air pollutants was below the standard level.

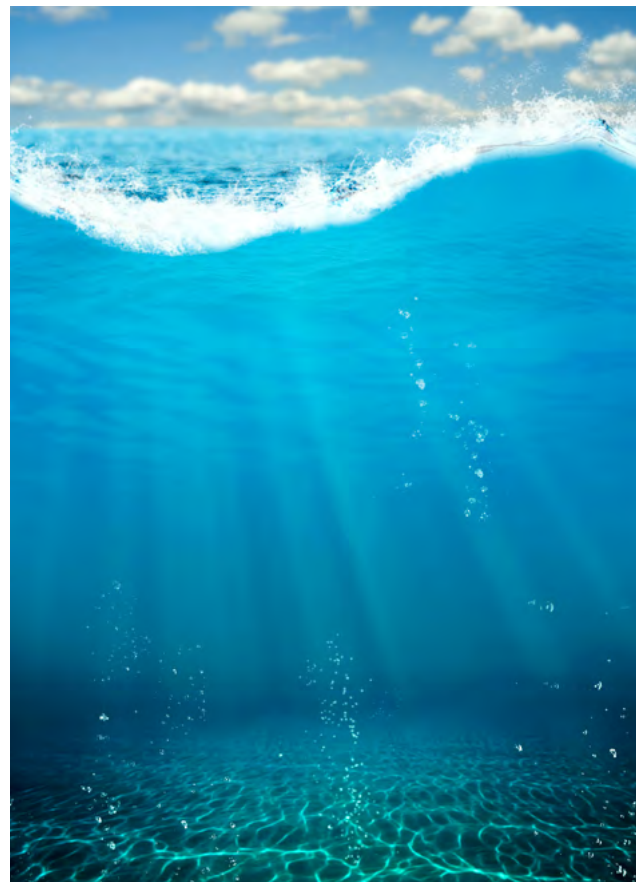
Noise pollution

TFM carries out ambient noise measurement to assess the noise level of industrial noise and disturbing noise. According to the measurement conducted in 2022 by an authorized person from the Department of Industrial Works, the noise level of industrial noise and disturbing noise produced by TFM plant generally complied with regulatory requirements. Legal limit was exceeded for a few locations, which was urgently rectified.

Water pollution

TFM monitors and manages its wastewater treatment system, ensuring compliance with regulatory standards. The quality of treated wastewater is checked and tested before being discharged. A sequence batch reactor (SBR) is the company's adopted system to ensuring that the quality of discharge water does not exceed the legal limit. The average daily amount of wastewater from the manufacturing process and consumption is 36.7 cubic meters, whereas the company's wastewater

treatment system has the capacity of treating up to 100 cubic meters of wastewater. The average daily amount of treated wastewater being discharged is 32.6 cubic meters.





Waste

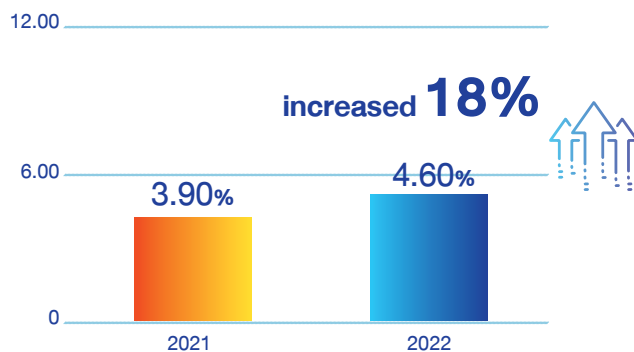
TFM's waste management system treats different types of waste according to regulatory requirements, including a system to prevent environmental contamination from the point of collection to the point of disposal; waste sorting; a record of the amount of monthly waste; suitable waste storage; and using a waste disposal operator authorized by the Department of Industrial Works. The entire process is traceable, e.g.:

- Hazardous waste i.e. obsolete electronic equipment, contaminated containers, and used lubricant oil are sent to an authorized waste disposal operator to be recycled and sent to landfill.
- General waste (non-hazardous) e.g. plastic bags, papers, scrap metal, and plastic sacks are sorted and sent to an authorized waste disposal operator to be recycled, after which the waste ash is sent to landfill.

Information on hazardous and non-hazardous waste sent to landfill (Landfill)

The total amount of Landfill Disposal of both dangerous and non-dangerous wastes

Kg / Ton Production



2022 waste sent to landfill

increased 18% from 2021



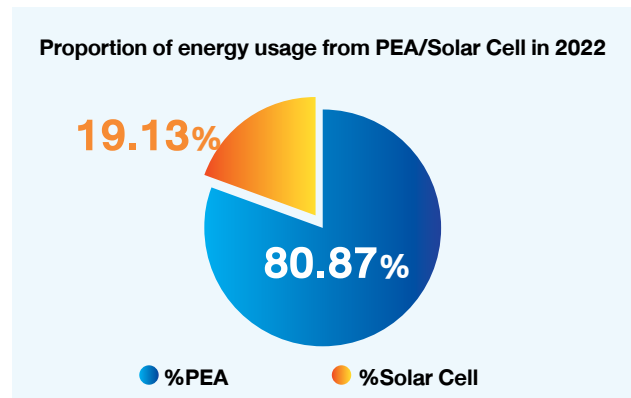
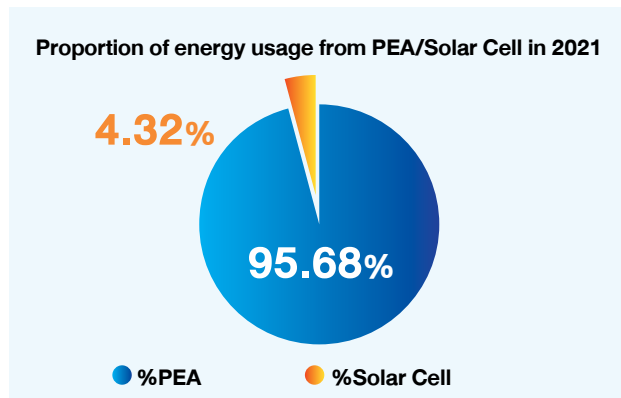
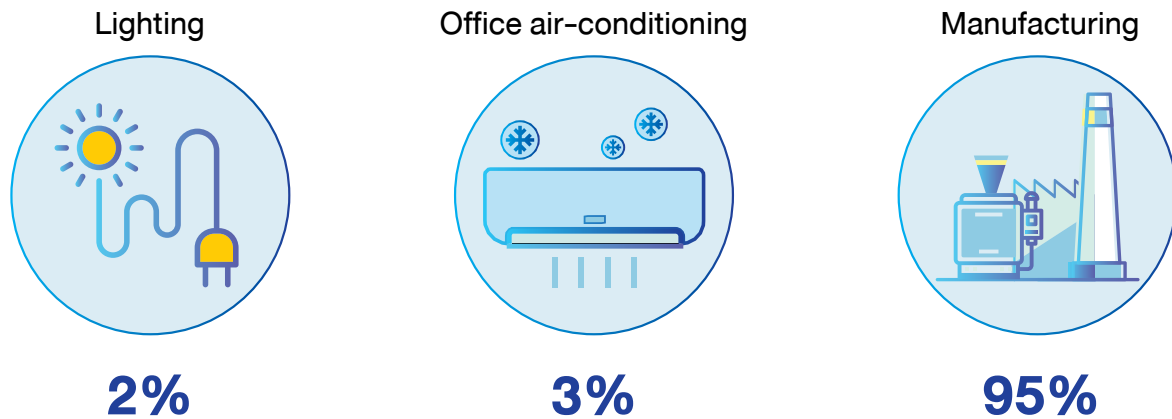
2023 target of reducing waste sent to landfill

by 5% from 2022

Energy conservation

TFM uses an energy management system in its aquaculture feed manufacturing process. Having recognized that energy conservation is a major cost-saving element in product manufacturing and that it is the responsibility of all employees to manage and conserve energy, the company has adopted an energy conservation policy to guide efforts on energy management, promoting energy efficiency, and sourcing alternative energy.

In 2022, TFM's electricity consumption according to system types are as follows:



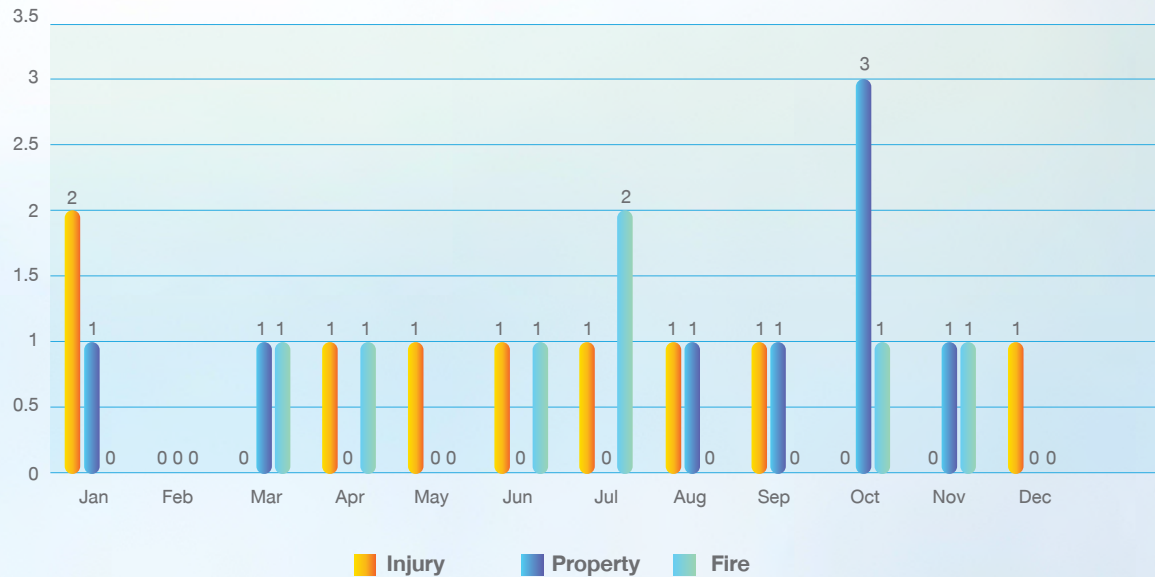
In 2022, TFM installed a 2,646 kWp solar ground mount system, contributing to an overall 19 percent increase in electricity saving in 2022.

Occupational health and safety policy

Work safety is a priority and a responsibility for every employee. The company supports workplace improvement by organizing awareness raising activities for employees, e.g. a safety campaign, training, and etc. Supervisors at all levels are encouraged to set an example, teach, train, and entice safe work practices. The goal is to have every employee aware about one's own safety and that of his/her co-workers and the company's property when he/she is working; pay attention to the cleanliness and tidiness of his/her work area; take part in the company's occupational health and safety campaign; and share their ideas to improve the safety of work conditions and work practices.

The company constantly improves its operational efficiency to reduce the risk of illness, injury and death. Due attention is also paid to improving the quality of life of our staff and employees, including regulatory compliance and safety management. In 2022, there were 7 incidents of work-related injuries. Response actions have been taken to prevent future occurrences: revision of rules, regulations and employee manual on safety, as well as organizing a sustained campaign on accident reduction.

A graph summarizing incidents in 2022



The aggregate LTIFR value from January to December was 0.79

Campaign on accident reduction: “Free Meals, Zero Accident”



Activity on reducing the number of work-related accidents to 0



“Free Meals, Zero Accident” campaign (Year 3)

Conditions

- No accident injuries, whether requiring to take day off or not (internal accident)
- No accident property damage (caused by employee)
- No accident fire (internal accident)
- If an incident occurs, the accident statistics reset in the following month
- Employee receives a coupon in the following month (except those in sales and office operations, and level-8 or higher employees)

Because safety is everyone's responsibility



Safety trainings for employees, e.g. basic fire extinguisher training and fire escape drill.



3.4 Sustainability Management in the Social Aspect

Labor Code of Conduct

The Code of Conduct is based on ethics, integrity, transparency, respect for universal human rights and principles on labor for welfare and freedom of workers.

1. Employment must be based on agreement entered into with each party's own free will and with employment documents that are in line with the law

The Company must have in place various policies that respect the rights of those who work full-time and part-time as well as those who have been outsourced or who are on contract. At the very least, such policies need to be able to protect the rights of workers who have entered into contracts with the Company, in line with local law and regulations, national labor law, law related to social security, and regulations and agreements done with consent from both sides.

- 1.1 Key elements of employer-employee relationship include working hours, overtime work, remuneration, benefits, disciplinary actions and complaints. These have to be (1) agreed with free will from both sides (2) written and (3) signed by both employer and employees.
- 1.2 Agreements and various conditions between employer and employees are to be clear and understood clearly. They are done in a language that is understood by both parties.
- 1.3 Should there be any significant change, a written agreement between the employer and employee is needed.

2. Every employee is treated equally with mutual respect

Every employee is treated with respect, without any physical, sexual, mental, or verbal violations. Employees are not to be violated or humiliated by any other means. There is no discrimination when it comes to employment, recruitment, remuneration, advancement, disciplinary actions, termination of employment or retirement. There must be no discrimination due to social class, race, religion, age, disability, gender, marital status, sexual orientation, union membership or political party membership, health, disability or pregnancy. Moreover, it is very crucial for the Company to take a careful look at the right of workers especially those who are at high risks of being discriminated against.

- 2.1 There is a policy preventing any form of discrimination due to social status, birth, race, religion, age, disability, gender, marital status, sexual orientation, union membership, and political party membership, health, disability, and pregnancy. Workers are to be informed of their own rights.
- 2.2 There must be no compulsory testing of pregnancy or other forms of health testing that may result in discrimination
- 2.3 The Company must not terminate employment, reduce the number of positions or reduce any benefits that may result from the pregnancy. The Company is to allow employees to come back at work after giving birth.
- 2.4 Employees are to receive the same opportunity in developing knowledge, skills, and capabilities related to their work.



3. Work on the basis of free will without coercion

It is forbidden to engage in forced labor be it in the form of indentured labor, debt bondage or any other form. It is also forbidden to engage in physical and mental coercion, slavery and human trafficking.

- 3.1 The Company needs to have in place an employment policy, practice, and trainings for employees to ensure that employment contract is entered on the basis of free will, equality, and freedom for an employee to choose to resign.
- 3.2 An employee needs to have freedom of travel without being detained in the Company's premises.
- 3.3 An employee must not be coerced to hand over their personal documents. In case there is a need to keep personal documents of an employee in accordance with the law, an agreement must be made with the employee to ensure that the employee can access their documents and this must not constitute a condition to prevent the employee from resigning. The documents are to be returned to the employee immediately upon written request or termination of employment.
- 3.4 The Company has to ensure that the contract is done in a language that the worker understands.
- 3.5 The Company must refrain or lessen incidents of allowing for advance cash withdrawal or providing loans for workers or any other conduct that may result in an obligation for employees to continue working due to unpaid debts to the employer.

4. No child labor

There must be no children under the age of 15 years or lower than the minimum working age as stipulated by that country's respective labor law, working or being employed in a business of the Company. The Company must ensure that there is no employee under the age of 18 working in a dangerous area. The working hours must not exceed 8 hours and there must be no night shift (22.00-06.00 hrs.) for employees under 18.

- 4.1 The employment policy must stipulate clearly the minimum age for employment as well as an effective procedure to check for the age of workers (such as national ID card or passport issued by the government).
- 4.2 Young workers must be taken care of and protected in terms of health and safety. Such measures include prohibiting young workers to do dangerous work or work on night shifts. Moreover, young workers need to have special care.



5. Every employee must receive fair remuneration

Every employee must receive remuneration which consists of wage, overtime payment, benefits and leaves that are in accordance with or greater than the minimum standards stipulated by law of the respective country. Each employee is to be paid remuneration as per the contract made between them and the Company.

Each employee receives documents on remunerations in accordance with each round of payment. Details of the remuneration must be clearly stated. These include, the amount of wage, benefits, incentives/bonus, and other deductions. The documents need to be issued in languages that the employees understand.

- 5.1 Remuneration must be paid on time, in accordance with the payment documents.
- 5.2 Every work done needs to receive compensation not lower than the minimum payment according to the law and the industrial standards, as well as in line with the employment contract.
- 5.3 Each employee needs to adhere to and follow the conditions on remuneration stipulated in accordance with agreements that have been negotiated in line with the law.
- 5.4 Any lawful deduction, such as tax or social security, is to be deposited to the designated accounts or agencies in accordance with the law. Any other deduction apart from the lawful deduction may be done only if it is in line with the law and has been given written consent from employees.
- 5.5 Thai Union is committed to "eradicate employment brokerage fee" that is being demanded from foreign workers. In this light, Thai Union will be responsible for such fee. We also encourage Thai Union's partners to consider revoking the administrative fees for employment and adapt measures to their particular situations.

6. Every employee must have appropriate working hours

Employees must not be set or coerced to work more than the normal working hours and working over time more than the normal working hours and to work over time to the point when it exceeds the labor law of the respective country. All extra working hours must receive consent from the employees concerned.

- 6.1 Thai Union is to have clear policy on normal and overtime working hours. Work process is to be set up to make decisions on overtime work and employees need to give their consent.
- 6.2 Employees are entitled to rest at least 24 hours every 7 working days (except in some types of work where the law allows employer and employees to agree otherwise). If any employee is asked to work on a holiday for the benefit of continuity of the production or service, that employee is to have their holiday compensated equal to the time the employee has been asked to work or to receive compensation at the rate as stipulated in the law.
- 6.3 If an employment contract allows for overtime work, the employee will have to agree clearly in the contract. Every over time work of employees is based on consent.
- 6.4 Compensation for overtime work must not be lower than the rate determined by the law.

7. Every employee is free to establish and/or participate in the labor union, and has the freedom to negotiate as stipulated by law

The right of employees to have freedom to association and negotiations must be respected and accepted. Employees must not be coerced or harassed when they want to exercise their right to participate in any organization.

- 7.1 Manager, supervisor and security officers need to be trained to respect the right of each employee in joining any organization freely.
- 7.2 The Company needs to inform employees in advance about their rights so they understand and be confident in exercising their lawful rights without impediments from any other employees or supervisors.
- 7.3 The right to strike is to be accepted as one of the rights of employees and their organizations. Employees must not be countered when they exercise such right.

8. Every employee needs to have their health and safety at work cared for

Work premises need to be hygienic and safe for all employees to prevent accidents and injuries that may happen from work, during work, or from the behavior of the employer.

- 8.1 The Company is to stipulate, eradicate and control danger that results in risks to employees or any other person within the organization or the environment.
- 8.2 The Company is to have clear policy and procedure that is effective on occupational health and safety. This is subject to review as appropriate.
- 8.3 The Company is to communicate widely and organize appropriate trainings for employees on the policy and procedure regarding occupational health and safety, as well as fire drills.
- 8.4 Employees and outsiders who enter the premises must be informed of the possible danger and provided with sufficient information, as well as personal protective gear to refrain or alleviate such danger.
- 8.5 Every personnel who has entered into the premises or has a duty to manage the products, need to be informed of appropriate procedures to comply with health and safety measures.
- 8.6 Personal protective gear needs to be provided to every personnel whereby the employer is to be responsible for the expenses. Employees need to attend sufficient trainings to be able to work safely.
- 8.7 Work conditions including the conditions of living quarters of employees must be cared for, ensuring that it is in a safe condition and with good occupational safety. The minimum state of welfare required is that there needs to be clean drinking water, clean and sufficient toilets with good ventilation, fire escape and necessary safety equipment, first aid kit, and hygienic space to have meals. Moreover, there needs to be enough light at the work premises.
- 8.8 The Company must ensure that pregnant employees who have informed the Company of their pregnancy must not work in dangerous places, they must not work in a way that exhausts their physical strength or any work related to biological substance, chemicals or objects that may be dangerous to the reproductive system. Moreover, the Company must ensure that pregnant employees do not have working hours that are too long, nor are they allowed to work night shifts. The Company needs to comply with the domestic law of the respective country with the objective to protect the health and safety of pregnant employees.



9. Every employee needs to receive fair treatment

Employees must receive transparent and fair treatment. Issues must be resolved in a speedy and just manner without prejudice that may arise from the relationships among employees at work.

- 9.1 The Company needs to have in place (1) channels to lodge complaints and suggestions that are easily accessible and effective and (2) full-scale investigation to facilitate quick and just resolutions to problems, without any prejudice.
- 9.2 Channels to lodge complaints need to be widely publicized in order to ensure that employees know of them. Confidential information needs to be protected (if needed) and there must be no countermeasures from the Company.

10. Business operations must be sustainable with reduced impact on the environment

The Company's operations, procurement, production and dissemination of products and services must aim to protect and preserve the environment, complying to the law and regulations related to the environment.

- 10.1 Business operations need to have all legally-required licenses.
- 10.2 There must be trainings for the personnel to be aware of various legally-required licenses and comply with them.
- 10.3 There must be efficient plans to manage the environment in accordance with the law, including on the use of dangerous chemicals, the disposal of waste, wastewater and air pollution, the use of water and energy.

Policy on Labor Relations

Thai Union Feedmill Public Company Limited has a policy to promote labor relations through setting up a counsellor on labor relations to facilitate employees to be involved in finding solutions, raising awareness on the rules, and having respect for the Company's regulations. Information is to be communicated and exchanged between employees and labor relations counsellor who acts as the representatives of the Company. The communication should facilitate understanding and acceptance in each other's rationale, leading to solutions to the differences in appropriate directions.

In this light, the Company has set out the following policies for employees to adhere to:

- 1. The Company complies with the Labor Protection Act B.E. 2541 (1998) and the Agreement on Employment Conditions.
- 2. The Company will appoint a counsellor on labor relations to receive any suggestion or comments from employees as well as

complaints or issues regarding the work to promote good labor relations process in the organization.

- 3. The Company promotes and encourages employees to be aware of and understand issues related to labor relations.
- 4. The Company will foster understanding on the objectives of living together between employees and the organization, including how to solve the problems.
- 5. The Company regards every employee at every level in the organization to have the same right and equal freedom. "The Company always has in mind that every employee at every level is the most valuable resource."

Human Rights Policy

The Company has operated its business within the framework of good corporate governance and with integrity and accountability, taking into account the economy, society, environment and the reputation of the Company, shareholders, and investors. Therefore, the Company will operate its business with integrity and moral ethics. The Company must operate its business with ethics and integrity as well as corporate governance which directs the Company's undertakings to be fair, transparent and with integrity, while being aware of negative impact on stakeholders, the economy, society, environment, reputation of the Company, shareholders, and investors. The Company must also show that it is ready to be part of the solution to reduce such impact with the aim of fostering sustainability. The Company must also be sincere in being responsible for stakeholders, the economy, society, the environment, shareholders and investors.

1. Respect for Human Rights

The Company operates its business with respect for human rights by promoting and protecting the right and freedom, as well as treating each other equally. These are the foundations for the management and development of human resources. The practical guidelines on this issue are as follows:

- 1.1 The Company will promote, respect and protect internationally-accepted human rights.
- 1.2 The Company will refrain from any activity that is considered a violation of human rights.
- 1.3 The Company promotes and respects human rights by regularly checking to ensure that its businesses are not involved in the violation of human rights.
- 1.4 The Company respects the employees' right to express opinions which include the freedom to express views without any interference, and to receive information or opinions from various media. Communication channels must be established to listen to opinions of stakeholders freely.

2. The utilization of workforce must not violate human rights

The Company must not resort to employ labor in a way that is a violation of human rights such as forced labor or children labor. The award of being a Model Organization on Human Rights for 2021 and 2022 is a guarantee that the Company both complies with and respects human rights.



Social Accountability Policy

The Company has a policy to operate its business with corporate social responsibility (Corporate Social Responsibility: CSR (within the organization)) based on basic principles that have been accepted as standard internationally and this has been incorporated as part of our work. "To comply with the human rights principles as stipulated in the international standards, law, and code of ethics of the entrepreneur towards its employees"

In 2015, the Company has issued and announced COC on labor, in which its basic principles were in line with the international standards.



In 2018, the Company was certified and announced that it has Good Labor Practices.

The Company cooperates with the NGO called Issara Institute. This is a testament from an external party that the Company treats every worker and personnel at every level in a fair and equal manner. There is no incident, discrimination or any complaint on human rights violation due to the Company's business operations both from internal and external agencies. There is no legal dispute with regards to labor, forced labor, or slavery, child labor, pregnant workers, the right of consumers, and business operations.



Moreover, the Company has also received an award for Excellent Entrepreneur on labor relations and welfare for the years 2021 and 2022. In 2022, the Company also received an honorary award of CSR-DIW for 2022 on the standards of corporate social responsibilities. .

Employment

The Company clearly sets specific qualifications for employees in accordance with the respective assignment or position, without bringing in the factors such as race, skin color, gender orientation, religion, nationality, personal background, political views, age, or disability into consideration. The selection of qualified persons will be through the determined process. In 2022, Thai Union Feedmill Public Company Limited had a total of 820 employees with a diverse range of age, gender, educational level, and fields of work.

1. Percentage of employees categorized by types of employment

Daily
28.66%



Monthly
71.34%

2. Percentage of employees categorized by genders



Male **69.51%**



Female **30.49%**

3. Percentage of employees categorized by nationalities



Thai **76.71%**

Foreign **23.29%**

4. Percentage of employees categorized by age

18–20 years	0.85%
21–30 years	27.80%
31–40 years	35.61%
41–50 years	28.05%
Over 50 years	7.69%

5. Percentage of employees categorized by years of working in the Company

Less than 2 years	23.05%
2–5 years	22.68%
Between 5–10 years	21.59%
Over 10 years	32.68%

6. Types of Employment

Type	Male	Female
Daily	93.39%	6.61%
Monthly	60.37%	39.63%

Turnover Rate

The turnover rate of employees in 2022 was 22.56%, an increase of 5.07% from 2021.

Retention rate of employees following maternity leave

In 2022, among 250 female employees, 6 applied for maternity leave. Afterwards, 4 of them came back to work. This amounted to the retention rate following maternity leave of 67% of the total number of female employees who took maternity leave.

Policy to support persons with disabilities

The Company is aware and emphasizes the need to take part in the uplifting of well-being of those with disabilities in society. In this light, the Company sees merits in opening up opportunities for the disabled to show their potentials, earn income, rely on themselves, help families and society, and support the disabled, especially those in the working age, to be part of the economic development, both at the family and national levels. It is worth pointing out that the Empowerment of Persons with Disabilities Act B.E. 2550 (2007) has an objective to promote and develop the well-being of persons with disabilities. There are provisions on measures to provide vocational support and protection of persons with disabilities. In this regard, the Company has complied with the Empowerment of Persons with Disabilities Act B.E. 2550 (2007) Section 33 by accepting persons with disabilities to work in various departments.



**In 2021, the Company
accepted 8 persons.**

**In 2022, the Company
accepted 8 persons.**

Remuneration and Welfare for Employees

The Company has a clear policy on creating fair employment conditions for employees. Employees are to receive appropriate remuneration in accordance with their potentials, positions, and responsibilities, while facilitating job security and fair opportunities for career advancement. The Company provides welfare for its employees as required by the law such as social security, and those not required by the law including health and accident insurance, as well as grants for employees in need, parents' funerals, and annual health check-up.



Development of Employees' Capabilities

The Company is aware of the crucial importance of employees. It has a policy to train skills and enhance potentials among employees by opening up opportunities for employees to learn and be promoted at appropriate times. Employees may engage in personal development and learning at all times through the online learning system via smartphones, computers, or laptops. This is a good chance to go and find the gap and engage in the learning of necessary skills for employees themselves and their work. The Company also sets out plans to engage employees in the trainings every year. Necessary gaps are identified and used to further enhance employees' skills and improve their work. Moreover, annual trainings are held to improve capabilities of every group of employees in accordance with the needed competencies in their respective field.

Channels to Lodge Complaints and Process to Manage Employees' Complaints

The Company has provided channels to accept complaints and suggestions. The process upon receiving complaints and suggestions, as well as measures to protect complainants and their confidential information are as follows:

1. Channels to accept complaints:

- 1.1 Complaints Box in which a representative from the executives is to open the complaints box and the box is to be opened twice a week (every Mondays and Fridays)
- 1.2 Complaints made in person
- 1.3 Complaints made through a phone/Hotline
- 1.4 Complaints made through a session where the staff from the Employee Relations and Promotion of Happy Organization Department meet employees

- 1.5 Complaints made through a number of other electronic media such as People Connect System, Line, Email
- 1.6 Complaints made through the Welfare Committee in a Workplace
- 1.7 Complaints made through other agencies or organizations such as NGOs and Welfare Commission

2. System to Store Complaints

- 2.1 Complaints are to be kept safely as confidential information.
- 2.2 Complaints are to be kept systematically, allowing for reports and analyses on complaints in a confidential manner.

3. Procedure upon Receiving Complaints

The responsible bodies for this are the Task Force on Complaints and the Employee Relations and Promotion of Happy Organization Department

- 3.1 Verify information and translate the complaints in case the complaints are not in Thai.
- 3.2 Record information into the Complaints Management System.
- 3.3 Analyze complaints to identify causes and measures to resolve/prevent which may come as a result of meetings among various departments and agencies related to such complaints.
- 3.4 Coordinate and inform the relevant persons to be involved in the process of resolving complaints, in accordance with the timeline.
- 3.5 If a complaint is resolved, the report on the process of resolving the issue must be sent to complainant and all relevant persons. If it is beneficial to other employees in general, the report is to be publicized through a number of channels.

- 3.6 If a complaint cannot be resolved, the issue is to be submitted to the executives to seek further guidance or seek approval to end the process.
- 3.7 Record the closure of case in the Complaints Management System.
- 3.8 Expand the implementation of the measure(s) to resolve a particular complaint to other agencies with similar nature of work.

4. The Company must determine channels to report the outcomes of the management of complaints,

including personal clarifications through supervisors and designated representatives in each area, the Welfare Commission, Notice Board, as well as online communication channels such as email, Line, and the Company's internal communication system (People Connect System, TU Connect).

5. Measures to Protect the Confidentiality of Complainants

Complainants and witnesses are to be protected in ways that are appropriate and fair, whereby the Company will keep the information with regards to complaints, complainants and witnesses in confidence. They are not to be disclosed to any unrelated persons unless such disclosure will yield benefits to the investigation and/or the disclosure is made in accordance with the provisions of the law. Persons who are involved and learned of the case or information related to the case must keep such information confidential without disclosing it to any other person, unless such disclosure will yield benefits to the investigation and/or the disclosure is made in accordance with the provisions of the law. Intentional violation is punishable in accordance with the Company's regulations.





Management Discussion and Analysis

In 2022 sales grew by 2.4% YoY. While the profitability was pressured by the higher raw material cost. As a result, 2022 gross profit margin was at 8.3%.

Thai Union Feedmill Public Company Limited (the "Company") reported its sales at THB 4,888.3 million, grew 2.4% YoY, thanks to the shrimp feed sales rose by 9.3% YoY. Despite fish feed and livestock feed sales slightly dropped by 2.6% and 0.4%, respectively due to the portfolio adjustment.

Gross profit

In 2022, gross profit decreased by 17.9% YoY, from THB 494.9 million to THB 406.4 million, due to the profit margin was pressured by the rising of key raw material price which were in line with the global market trend. As a result, 2022 gross profit margin was at 8.3%, down from 10.4% in 2021.

Net profit

In 2022 net profit was at THB 109.5 million, dropped 48.2% YoY, due to profitability was pressured as aforementioned and the recognition of the loss-making performance from the subsidiary in Indonesia which was in the beginning phase.

Dividend Payment

The Company has announced the dividend payment from 2022 operating result a THB 0.13 per share or approximately THB 65 million at 59% dividend payout ratio. The Company partially paid the interim dividend at THB 0.05 per share. The remaining dividend from the second half operating result shall be paid at THB 0.08 per share.

Stock Information (SET / Bloomberg)

(TFM / TFM TB)

Share price (31/12/2022) THB 9.90

Historical closing price (since 1 January 2022):

Highest closing price: THB 14.80

Lowest closing price: THB 8.40

No. of shares: 500.0 m

Par value: THB 2.0

Market Cap.: THB 4,950 m

Avg. value trade/day (YTD) THB 5.8 m

Major shareholders (30/12/2022)

Thai Union Group PCL. 51.0%

Boonmechote Family 19.6%

Mr. Bunluesak Sorajjakit 3.1%

Mstr. Kamphong Piemphongsuk 1.5%

Mr. Suksan Yasasin 1.4%

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.

Financial Statement Analysis

Unit : THB million	FY'2022	FY'2021	YoY
Sales	4,888.3	4,773.1	2.4%
Cost of sales	(4,482.0)	(4,278.2)	4.8%
Gross profit	406.3	494.9	-17.9%
Other income	71.2	60.9	16.9%
SG&A	(347.7)	(328.9)	5.7%
Reversal/impairment on AR	(30.9)	13.1	136.4%
Other gain/loss	6.7	4.9	37.6%
EBIT	105.6	218.6	-51.7%
Finance costs	(26.3)	(8.8)	199.9%
PBT	79.3	209.8	-62.2%
Income tax	9.0	0.2	-5706.3%
Net Profit	88.3	209.7	-57.9%
Profit attributed to the Company	109.5	211.5	-48.2%
Earning per share (THB)	0.22	0.50	-56.2%
Gross profit margin	8.3%	10.4%	
Net profit margin	1.8%	4.3%	

Sales

The company reported 2022 revenue from sales at THB 4,888.3 million, increased 2.4% YoY, despite selling volume dropped 5.1% YoY;

Revenue from shrimp feed

- In 2022, revenue from shrimp feed sales was at THB 2,618.4 million, up 9.3% YoY, as a result of the shrimp feed sales volume increased by 11.2% YoY, while its average selling price slightly dropped 1.7% YoY.

Revenue from fish feed

- In 2022, revenue from fish feed sales was at THB 1,748.5 million, down 2.6% YoY, due to the selling volume dropped by 20.3% YoY. As a result, a portfolio adjustment in fish feed segment to focus on a profitability product such as a seabass feed. Therefore, the seabass feed selling volume sharply increased by 43.5% YoY.

Revenue from livestock feed

- In 2022 revenue from livestock feed sales slightly decreased by 0.4% YoY, from THB 446.0 million to THB 444.1 million, caused by a portfolio adjustment as a result, the livestock feed selling volume dropped by 11.0% YoY.

Cost of goods sold and Gross profit

- In 2022, the Company's cost of goods sold was at THB 4,482.0 million, increased 4.8% YoY, mainly due to higher raw material cost which was in line with the global market trend.
- In 2022, the Company's gross profit was at THB 406.3 million, down 17.9% YoY due to the lower profitability which was pressured by the higher cost. Therefore, gross profit margin declined from 10.4% in 2021 to 8.3%.

Selling General and Administrative Expenses

In 2022, the company's SG&A expenses were at THB 347.7 million, up 5.8% YoY. As a result of the increased employee benefits costs as well as the recognition costs incurred in TUKL, from starting its operation in January 2022.

Sales breakdown by product:

	Sales (Unit : THB million)			Qty (Unit : Tones)		
	2022	2021	YoY	2022	2021	YoY
Shrimp feed	2,618.4	2,395.6	9.3%	89,913	80,868	11.2%
Fish feed	1,742.9	1,795.5	-2.9%	59,923	75,185	-20.3%
Livestock feed	449.8	446.0	0.8%	27,487	30,879	-11.0%
Other sales	77.3	135.9	-43.2%	-	-	-
Total	4,888.3	4,773.1	2.4%	177,324	186,931	-5.1%

Revenue by products FY'2022

Shrimp feed
53.6%
Fish feed
35.7%
Livestock feed
9.2%
Other sales
1.6%



Revenue by regions FY'2022

Domestic
90.9%
Export
4.4%
TUKL
2%
AMG-TFM
2.8%



Net profit

In 2022, the Company reported a net profit attributed to shareholders at THB 109.5 million, decreased 48.2% compared with the previous year which was THB 211.5 million. Due to a pressure on the profitability and recognition of the higher expenses as well as the recognition of the loss-making performance of the subsidiary in Indonesia which just started its operation in 2022. Therefore, EPS declined from THB 0.50 in 2021 to THB 0.22 per share.

Financial position analysis

As of December 31, 2022, the Company reported total assets of THB 3,201.9 million, a 4.2% decrease from the end of 2021 mainly from decreasing in cash and cash equivalent from a prepayment of TUKL's long-term loan payments to reduce financial costs during a rising interest rate situation as well as investment in building of Mahachai's factory and TUKL's factory.

Total liabilities decreased to THB 757.9 million, a 19.4% decrease from THB 940.1 million at the end of the previous year. As a result of the prepayment of TUKL's long-term loan as mentioned.

Total shareholder's equity was THB 2,444.0 million, a 1.7% increase from the end of the previous year, thanks to the company profitable performance resulted the Company's retained earnings increased. As well as the Company paid the interim dividend to shareholders which was in line with the Company's dividend policy.

Cash flow analysis:

During 2022, net cash receipts from operating activities were THB 32.1 million, mainly came from EBITDA at THB 292.3 million and deducted with the working capital items totally THB 304.7 million which mainly came from an increasing in account receivables and inventories as well as adjusting with the non-cash items totally THB 50.8 million, comprised of account receivable allowance and employee benefit then corporate income taxes paid at THB 6.3 million.

Net cash paid for investing activities were at THB 20.4 million, mainly from the additional investment in shrimp feed production line in Thailand (Mahachai) in the amount of THB 50.3 million, therefore cash paid for CAPEX in 2022 was totally THB 179.2 million. There were some cash receipt from withdrawing fixed deposit in the amount of THB 150.0 million and disposed of assets in the amount of THB 9.3 million.

Net cash payment from financing activities were at THB 155.1 million comprised of a repayment of TUKL's long-term loan in

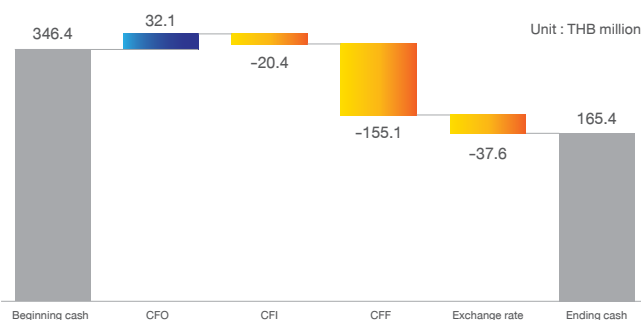
Indonesia in the amount of THB 220.0 million and the dividend paid to the shareholders with totally THB 100.0 million, despite there were the cash received from drawing short-term loan for working capital in the amount of THB 52.0 million and cash received from paid-up share from non-controlling interest in the amount of THB 112.0 million.

Key Financial ratios

Key Financial Ratios	2022	2021
Current Ratio (x)	2.5	2.9
Average Collecting Period (Day)	55	46
Day Inventory Outstanding (Day)	43	43
Return on Capital Employed (%)	4.0%	10.0%
Return on Equity (%)	5.0%	11.9%
Return on Assets (%)	3.2%	7.5%
Interest Bearing Debt to Equity (x)	0.02	0.09
Book Value per Shares (THB)	4.9	4.8

Remark:

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
IBD / E	= Interest-bearing debt / total shareholders' equity
BV	= total shareholders' equity / outstanding shares



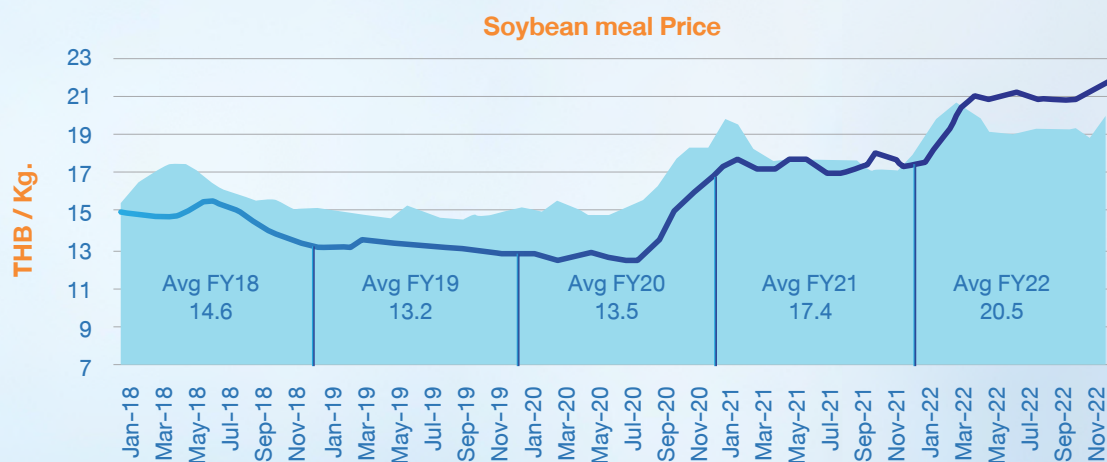
As of December 31, 2022, the current ratio was at 2.5 times, decreased from 2.9 times at end of 2021, due to the decrease in current assets, comprised of a decrease in cash and short-term investments from a prepayment of a long-term loan and the withdrawing of fixed deposit.

The profitability ratio at the end of 2022 (ROCE at 4.0%, ROE at 5.0% ROA at 3.2%), 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

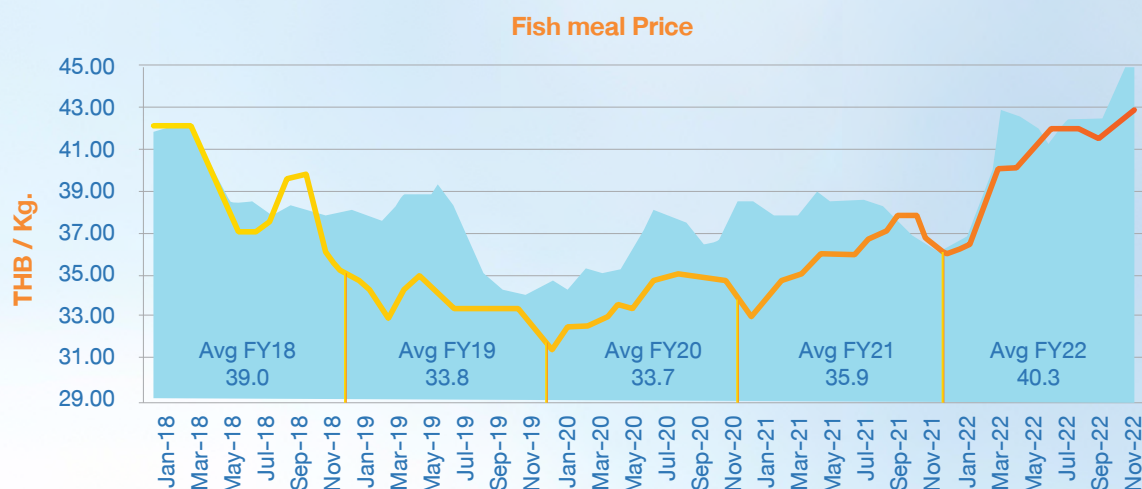
According to the Thai Feed Mill Association (TFMA), the demand of animal feed in 2023 is forecasted to increase from 19.08 million tons, to 19.99 million tons in the previous year, mainly due to the rising swine feed demand. For the aquaculture feed was expected to grow from shrimp feed demand which will slightly increase from 0.5 million tons to 0.51 million tons or 2.0% growth.

Key raw material price



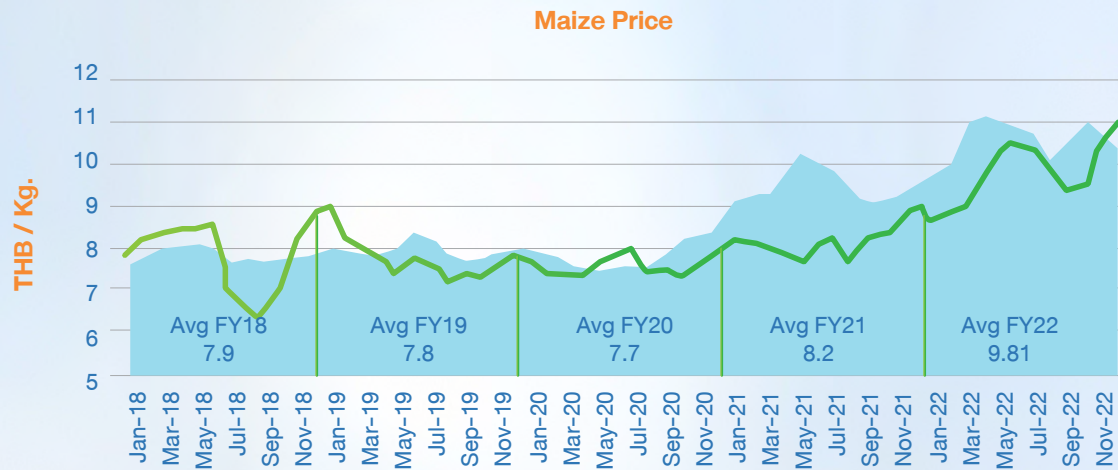
Source: Department of Internal Trade

As of December 2022, soybean meal price was at THB 21.78 per kilogram, 26.0% increase from THB 17.28 per kilogram at the end of December 2021, while 2022's average soybean meal price increased 17.6% from 2021.



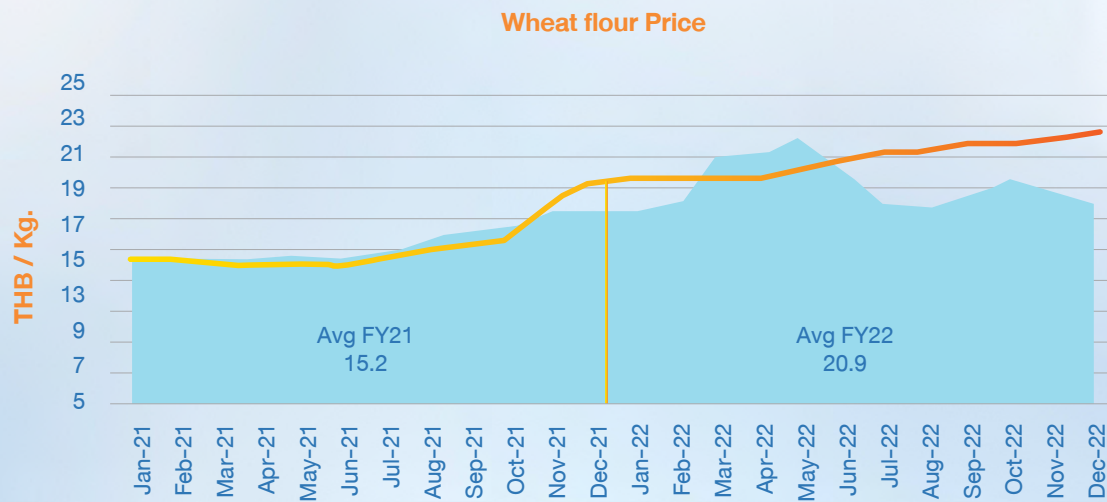
Source: Department of Internal Trade

As of December 2022, fish meal price was at THB 42.84 per kilogram, 17.7% slightly increase from THB 36.40 per kilogram at the end of December 2021, while 2022's average fish meal price increased 12.5% from 2021.



Source: Bank of Thailand

As of December 2022, maize price was at THB 10.89 per kilogram, 21.4% increased from THB 8.97 per kilogram at the end of December 2021, while 2022's average maize price increased 19.6% from 2021.



Source: Thai Feed Mill Association

As of December 2022, Wheat flour price was at THB 22.53 per kilogram, 16.9% increased from THB 19.27 per kilogram at the end of December 2021, while 2022's average wheat flour price increased 37.4% from 2021.

General Information and Other Material Facts

5.1 General Information

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

Subsidiaries

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 2022	: IDR 309,360 million (or approx. THB 738.7 million ¹)
Paid-up capital as of 31 December 2022	: IDR 309,360 million (or approx. THB 738.7 million ¹)

Remark:

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



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, Pubjab
Registration Number	: 0172082
Tel.	: +92 (0) 34-58460707
Registered capital as of 31 December 2022	: PKR 500 million (or approx. THB 95.1 million ¹)
Paid-up capital as of 31 December 2022	: PKR 500 million (or approx. THB 95.1 million ¹)

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 2022, 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

Remark:

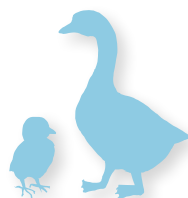
¹ Calculated from the sum of registered capital and paid-up capital in Thai Baht (THB)



02 CORPORATE GOVERNANCE



The Company recognizes the importance of corporate governance, which is fundamental to attaining **a management system that is effective, transparent and accountable.**



Corporate Governance Policy

6.1 Overall policy and guidelines on corporate governance

The company understands the importance of the principle of corporate governance, which has guided the company's business operations to achieving sustainable growth and acceptance. As such, the Board of Directors has adopted a corporate governance policy based on the Corporate Governance Code for Listed Companies 2017 issued by the Securities and Exchange Commission. TFM's corporate governance policy stipulates diverse qualifications of a director in terms of skills, experience, gender, specific talents that are beneficial to the company, as well as having leadership, vision, and responsibility. The management structure is designed to have a control and monitoring mechanism with checks and balances to provide clear and practical guidelines, ensuring fair, ethical and transparent administration, taking into account the rights and equality of the shareholders and stakeholders. This is to enhance business competitiveness, which would impact the confidence of shareholders, investors and all stakeholders, as well as enabling the company's business operations to be efficient, stable and creating value for the organization in a sustainable manner. Details about the company's corporate governance policy are published on the website www.thaiunionfeedmill.com under the topic "Corporate Governance", sub-topic "Corporate Governance Policy". The said policy covers 8 codes of conduct as follows:

- Code of conduct 1** roles and responsibilities of the company's Board of Directors as the corporate leadership in creating value for business sustainability.
- Code of conduct 2** determine key corporate objectives and targets on sustainability.
- Code of conduct 3** strengthen the effectiveness of the company's Board of Directors.



- Code of conduct 4** recruit and develop senior executives and human resource management
- Code of conduct 5** promote innovation and responsible business conduct
- Code of conduct 6** appropriate risk management and internal audit
- Code of conduct 7** maintain financial credibility and information disclosure
- Code of conduct 8** encourage participation of and communication with the shareholders

The company's corporate governance policy is based on compliance with the law and further improved on transparency, trustworthiness and excellent business recognition for criteria, governance and sustainable growth at the domestic and international levels. The Board of Directors issue policies ensuring that different aspects of business operations comply with the corporate governance principles. The company's policies and guidelines encompass issues concerning a nomination and remuneration committee; independence of the Board from the management; director professionalism improvement; evaluation of the performance of individual directors; policies and guidelines on shareholders and stakeholders; shareholder management; equal treatment of shareholders; promotion and exercise of shareholders' rights; prevention of use of inside information;

prevention of conflict of interests; responsibility towards stakeholders; anti-corruption; and other related policies and guidelines. If the company did not have a policy or practice on certain criteria, the management would propose that the Board of Directors review them to ensure consistency and compliance.

Code of conduct 1: Roles and responsibilities of the company's Board of Directors as the corporate leadership in creating value for business sustainability

The company's Board of Directors has the powers and duties to ensure that the company's objectives, regulations and decisions of the shareholders' meeting are complied with. The Board is to carry out this responsibility with honesty, integrity and in the company's best interests. In addition, it stipulates company policies and directions as well as ensuring that stipulated policies are effectively implemented by the management.

The Board of Directors is required to notify the company of a conflict of interest in relation to any contract entered into with the company or a change in TFM shareholding within an accounting year. While generally having the decision making power for and oversight of the company, the Board of Directors is required to obtain prior approval from the shareholders' meeting on the following matters:

- (1) Matters prescribed by law as requiring approval of the shareholders' meeting;
- (2) Change the par value of stock or increase / decrease registered capital;
- (3) Increase the number of directors
- (4) Transactions in which a director has an interest or prescribed by law or the regulations of the Stock Exchange of Thailand as requiring approval of the shareholders' meeting.

The Board of Directors has a responsibility towards the shareholders in conducting the company's business operations and ensuring that the company's is managed in accordance with the goals and approaches which maximize the shareholders' interests, within an ethical framework and equally taking into account the interests of all stakeholders, pursuant to the roles and responsibilities of under the topic "the Role of the Board of Directors".

Code of conduct 2: determine key corporate objectives and targets on sustainability

The Board of Directors sets key business objectives, targets and policies for the company and its subsidiaries, taking into account situations and scenarios as well as ensuring consistency with the company's vision and mission. The organization's internal environment is analyzed to understand the competition and analysis of the organization's external environment, i.e. economic, social and environmental factors; legal issues; and market competition. This is to determine and understand external changes, which consist of both opportunities and challenges for the organization, as well as promoting the use of innovation and technology to add value to the organization, with a view to achieving sustainable growth.

Analyzing the change of these factors may impact the business and stakeholders. Therefore, the Board of Directors has worked to instill corporate governance and its implementation as an organizational value, with the cooperation of all employees in continuously improving the organization and recognizing the importance of being a sustainable organization. Besides, the Board of Directors has formulated the company's business strategies, policies, work plans and budgets. The Committee on Sustainable Development was created by the Board of Directors to ensure that the policy framework is followed. The Board of Directors assigns the task of implementation to the management and ensures that it is done so effectively.



Code of conduct 3: strengthen the effectiveness of the company's Board of Directors

The Board of Directors understands its roles and responsibilities. There is a clear division between the Board of Directors and the management. The Chairman of the Board and the Chief Executive Officer are not the same person. The Board of Directors prescribes the roles of the management and ensures that the management effectively carries out its duties in accordance with the set policy. Additionally, the Board of Directors ensures that there is no conflict of interest among the company's stakeholders through periodical disclosure of complete and accurate company information.

Code of conduct 4: recruit and develop senior executives and human resource management

The Board of Directors recognizes the importance of recruiting the right persons for key senior executive positions, e.g. the Chief Executive Officer (CEO) and other positions equivalent to a managing director of the company and its subsidiaries. Factors taken into consideration include knowledge, expertise and experience that complement the company's strategy and objective. As such, the Board of Directors must ensure that the recruitment process for these key positions is done properly.

Code of conduct 5: promote innovation and responsible business conduct

The Board of Directors recognizes the importance of sustainable development which will become a standard of responsibility for the economy, society and environment, in accordance with the United Nations Sustainable Development Goals. Therefore, the company's business approach is aligned with that of Thai Union Group PCL, comprising 4 main strategies as follows:

1. **Worker safety and lawful labor recruitment**—lawful employment where workers freely choose to work in the company's place of operations and in the supply chain, which is crucially important
2. **Responsible procurement of raw materials**—traceability of raw materials is crucial for improving the transparency and operations of the supply chain
3. **Responsible operations**—the company's operations must be environmentally responsible and demonstrate the duty of care and fair treatment towards workers
4. **People and community**—the company is responsible for improving the quality of life of those living and working in the areas where the company has business operations



Code of conduct 5.1: come up with innovations that create business value, benefit stakeholders, and are socially and environmentally responsible

The Board of Directors recognizes the importance of and promotes innovations that create business value and are beneficial to all concerned stakeholders as well as being socially and environmentally responsible.

1. The Board of Directors recognizes the importance of fostering an organizational culture of innovation and ensures that the management take it into consideration in the process of strategic review, operational development planning, and post-implementation follow up.
2. The Board of Directors encourages new innovations to create business value in accordance with changing external factors, from business models to ideas and perspectives on the design and development of a product and service, to making adjustments to the manufacturing and work process, to working with trading partners in discouraging inappropriate, illegal or unethical conduct.

Code of conduct 5.2: socially and environmentally business conduct

The Board of Directors ensures that the management runs the company in accordance with corporate ethics and social and environmental responsibility, which must be reflected in the operational plan, ascertaining that every department acts in line with the main corporate objectives, targets, and strategies.

The Board of Directors will create a mechanism to ensuring that the company's business is run ethically, with social and environmental responsibility as well as respecting the rights of all stakeholders. This serves as a guideline for every department in the organization to achieve the main objectives and targets in a sustainable manner, including the following issues:

1. Responsibility towards the employees: by complying with relevant laws and standards as well as treating employees and staffs fairly and respecting their human rights, i.e. calculating compensation and other benefits based on knowledge, ability and performance; paying attention to occupational health, environment and safety; capacity training; encouraging employee participation; and allowing employees to develop new skills.

2. Responsibility towards the customers: by complying relevant laws and standards as well as paying attention to the health, safety, fairness, customer data confidentiality, product quality, product improvement based on customer satisfaction level, and responsible sales promotion conduct that does not mislead or take advantage of customers' misunderstanding.

3. Responsibility towards the trading partners: by having a fair procurement process and fair contract or agreement terms, disclosing complete information, strictly abiding by an agreement, as well as monitoring and evaluating trading partners to sustainably enhance business complementarity.

4. Responsibility towards the community: by using business knowledge and experience to develop projects that benefit the community and society as a whole, with progress and long-term success monitoring and evaluation.

5. Responsibility towards the environment: by preventing, reducing, managing and ensuring that the company does not create negative environmental impact; promoting efficient resource utilization; and refraining from actions that cause natural resource and environmental degradation.

6. Fair competition: by operating the business transparently within the framework of fair competition rules.



7. Anti-corruption: by complying with relevant policies, laws and standards; having a policy on anti-corruption; and setting up a channel and procedure for receiving and dealing with complaints regarding violation of the law, rules, regulations and ethics, or cases of corruption (whistle blowing).

Code of conduct 6: appropriate risk management and internal audit

The company created the internal audit department as one of the company's independent units, which is currently led by Thanyathep Thiwakornsakul, Internal Audit Manager (Details about the company's internal audit can be found in attachment no. 3).

The internal audit department periodically monitors the internal control system and inspects key items, encompassing operations, compliance control, risk manage, and reporting of irregularities, to ensuring that the company's system is effective thus lending credibility to the financial statements. This function reports directly to the Audit Committee and submits management reporting to the Chief Executive Officer. The internal audit department formulates an annual audit plan, taking into account the risks faced by the company and its subsidiaries, especially those which impact on the attainment of the company's objective and the accuracy of the financial report. The annual plan is reviewed and approved by the Audit Committee which also periodically follows up on its implementation and evaluates the performance of the audit department.

During last year's internal audit reporting period, operations were found to be in accordance with the established system, with good and effective internal control. Business risks were identified and assessed. Risk prevention and risk management measures were drawn up accordingly. Relevant laws and regulations were complied with. No significant irregularities were found.

Risk management

The Board of Directors is responsible for ensuring appropriate and effective risk management. At present, the company does not have a dedicated risk management committee to oversee this matter for the Board of Directors. However, there is a risk management working group, led by the Chief Executive Officer, to oversee the development of a risk management procedure as well as periodically submitting a report on significant risks of the company and its subsidiaries to the Board of Directors. The risk management working group, which regularly assesses internal and external risk factors, comprises the management and senior executives from the functions affected by such risks, and is scrutinized by the risk management team of Thai Union Group PCL. Analysis is undertaken to identify the cause of a specific risk, to formulating appropriate risk management measures as operational guidance to prevent such risks from arising or mitigate their impact, as well as monitoring compliance with the said measures and coordinating with the Audit Committee to submit a report to the meeting of the Board of Directors at least once every quarter. Details can be found in section 1, topic 2 "Risk Management".

Control of the use of inside information and trading of the company's stocks

• Report on shareholding of the company's directors and executives

To prevent the use of inside information, directors and senior executives are required to notify the company's secretary at least 1 day prior to their intended stock trades. They also have a duty to immediately report any changes of their shareholding as well as those of their spouse and minor children to the Securities and Exchange Commission, not exceeding 3 days after the date of trading, pursuant to Section 59 of the Securities and Exchange Act, B.E. 2535 (1992). Directors and executives or the notified agency are prohibited from disclosing inside information and from trading the company's stocks during the 1-month period prior to public disclosure of the financial statements or other facts (silent period). This is to prevent the use of inside information, which has not been made public and may affect the stock price movement of a company listed with the Stock Exchange of Thailand, for personal benefit.

In addition, the company's secretary also reports the holding of the company's stocks of the directors and executives as well as any changes thereof to the Chairman of the Board of Directors and Chairman of the Audit Committee. An annual report on the holding of the company's stocks and changes thereof is submitted to the meeting of the Board of Directors for its information.

• Report on the directors' and executive's interests

The company's directors and executives are obliged to file their and related persons' interests with the company, pursuant to Section 89/14 of the Securities and Exchange Act, B.E. 2551 (2008) and Notification of the Capital Market Supervisory Board, No. Tor Jor 2/2552 Re Reporting of the Interests of Directors, Executives and Related Persons, as well as requiring the company's secretary to submit a copy of the interests report to the Chairman of the Board of Directors and Chairman of the Audit Committee within 7 days from the date of receipt of the report. The criteria and method of reporting are set by the Board of Directors.





Records of legal violation by the company, its directors and executives

In 2022, the company recorded no violations of rules, regulations or laws under the Securities and Exchange Act and the Public Company Limited Act, B.E. 2535 (1992), as well as any other legal violations, e.g. failure to file financial statements by the due date, financial assistance to associated companies or other companies which are not the company's subsidiaries, no violations of labor law and employment law, no violations of rules, regulations or laws under the Securities and Exchange Act and the Public Company Limited Act, B.E. 2535 (1992) by the directors and executives of the company and its subsidiaries, including legal violations of civil and criminal nature, e.g. no actions causing any conflict of interest, no insider trading, and no corruption-related or ethical wrongdoings.

Code of conduct 7: Maintain financial credibility and information disclosure

The Board of Directors owes a duty to the shareholders and other stakeholders—investors, analysts, and financial institutions—in maintaining financial credibility, as well as public disclosure of information. The details are as follows:

Information disclosure and transparency

The Board of Directors has adopted a policy of accurately, completely and timely disclosing the company's key financial and non-financial information. This is done through the Stock Exchange of Thailand and the investor relations website in both Thai and English, ensuring that the shareholders, investors, institutions, and individuals have equal access to trustworthy information.

The Board of Directors is responsible for the overall financial statements of the company and its subsidiaries as well as financial information used in the company's annual report. The financial statements are prepared according to certified accounting standards. A suitable accounting policy is adopted and consistently adhered to. Any discretion is carefully exercised. Key information is also sufficiently disclosed in the notes to the financial statements.

The Board of Directors produces a report on its responsibility regarding the financial statements, which is presented together with the auditor's report in the company's annual report, to show that the financial statements are accurate, verifiable, and reasonable, as well as consistently adhering to accounting standards and the accounting policy.

The Board is generally satisfied with the company's internal control system and is reasonably confident on the credibility of the company's financial statements as of 31 December 2022, which was audited in accordance with recognized accounting standards.

Public information disclosure

The Board of Directors recognizes the importance of accurate, complete, and transparent information disclosure, so that all shareholders, investors and concerned parties are equally informed. Therefore, the company disseminates information regarding its operations and financial status as required by law, in a clear and timely manner, ensuring that the target groups have the right understanding about the company. This would enable the company to gain acceptance and attract investment, as well as learning about public perception of the company, providing input for target and strategy formulation. An investor relations work unit was created with a designated executive and dedicated officers responsible for communicating with the public.

In 2022, the company periodically disclosed its operations, financial and non-financial information via various channels as follows:

1. The company's executives held meetings on the operating results and Q&A sessions with analysts, investors and shareholders:

- 4 analyst meetings
- 4 Opportunity Day SET
- 5 conference calls

In addition, the Board of Directors encourages the use of information technology to disseminate information by preparing documents for public information in Thai and English as well as making them available on the company's website at <https://www.thaiunionfeedmill.com/th/investor-relations/home>

- Quarterly MD&A document for investors and securities analysts
- Quarterly company presentation for investors and securities analysts
- Updated investor relations calendar
- Annual report for shareholders, investors, and anyone interested in the company

2. Providing information via the Stock Exchange of Thailand and the Securities and Exchange Commission, i.e. annual report, quarterly and annual financial statements, quarterly and annual financial statement analysis reports, notifications of decision of the Board of Directors, decisions of the shareholders' meeting, and reporting or notifying any changes to the company's information

which should be disclosed pursuant to relevant notifications of the Securities and Exchange Commission or as required by the Stock Exchange of Thailand.

Investors and analysts can directly contact investor relations officers via telephone at 034-417-222 ext. 229 or email ir.tfm@thaiunion.com

Code of conduct 8: encourage participation of and communication with the shareholders

The Board of Directors complies with the principle of corporate governance and has a clear business plan, taking into consideration equal treatment of the shareholders and stakeholders. This is evident from effective cooperation between the Board of Directors and the management, working with due diligence in the best interests of the company and the shareholders. They also work with transparency and accountability, with complete, accurate and timely information disclosure for all concerned parties. The company's risk control and management is adequate for business decision making. The company is committed to ethical business conduct, with a view to preventing damage to various stakeholder groups. The Board of Directors works to reassure the investors that the company has accurately, completely and timely disclosed key company information.

Moreover, the Board of Directors recognizes the importance of the right of all stakeholders to receive equally good treatment as well as their support and cooperation, which are crucial for the company's long-term stability and achieving its main objectives and goals in a sustainable manner. Therefore, the Board of Directors monitors to ensure that the management conducts itself ethically, acts responsibly towards society and the environment, adheres to the principle of equal treatment, and formulates relevant guidelines on shareholders and stakeholders, including shareholder relations, equal treatment of shareholders, encouraging the exercise of shareholders' rights, prevention of use of inside information, prevention of conflicts of interest, stakeholder responsibility, anti-corruption, and consequences in case of non-compliance with such policies and guidelines.

The company equally discloses data and information to all shareholders regardless of the size of their shareholding or whether it is a Thai or foreign individual or juristic person. In every shareholders' meeting, the company values and respects the rights of shareholders by strictly complying with relevant laws governing a public company limited, and recognizes that

shareholders have the right to make an informed decision based on sufficient, accurate, complete, and timely information, as well as encouraging the exercise of shareholders rights and refraining from infringing upon their rights as follows:

Holding of shareholders' meeting

It is a requirement to hold an annual general meeting of the shareholders (AGM) by the 4th month after the end of the company's accounting year, i.e. by 30 April of each year. If it is necessary to consider extraordinary agenda items concerning the shareholders' rights and interests, the Board of Directors will call for an extraordinary meeting of the shareholders, as necessary and appropriate. In 2022, the AGM was held on 1 April 2022, at 10.00 am, at Inventech Systems (Thailand) Co., Ltd., Ramkhamhaeng 53, Phlabphla Subdistrict, Wang Thonglang District, Bangkok. The meeting was held electronically (E-AGM) with the following preparations made by the company:

Pre-meeting and meeting invitations

- The Board of Directors allowed the shareholders to nominate director candidates, propose the meeting agenda, and ask questions in advance. The company's secretary was tasked with disseminating the said information electronically via the Stock Exchange of Thailand and the company's website at least 90 days prior to the proposed meeting date to give the shareholders ample time. The finalized draft meeting agenda was adopted by the Board at the AGM. Regarding the shareholders' rights to nominate director candidates and to

propose agenda for the AGM in advance, as the company was listed on the stock exchange on 31 October 2021, it was not possible for the shareholders to nominate director candidates and propose the 2022 AGM agenda. Only submission of advance questions for the AGM was allowed, with announcement made via the electronic system of the Stock Exchange of Thailand on 10 March 2022.

As for the 2023 AGM, the company has proceeded as abovementioned by allowing the shareholders to nominate director candidates and propose 2023 AGM agenda, with announcement made via the electronic system of the Stock Exchange of Thailand on 26 September 2022. The shareholders are required to submit their input during the 92-day period between 1 October and 31 December 2022. After the lapse of such period, neither nomination of director candidates nor proposal of AGM agenda were made by the shareholders.

In addition, the company did not include any new agenda which had not already pre-notified at the previous AGM.

- The company sent out the 2022 AGM invitation letter in Thai and English, with information about the date, time and location together with meeting documents containing complete and sufficient details about the purpose of the meeting, to allowing the shareholders to exercise their rights, as well as comments of the Board of Directors for each agenda item. All types of proxy forms comprise Form A, Form B, and Form C, as required by the Ministry of Commerce; procedures of voting, vote counting and voting results announcement; information about independent directors who can be nominated as proxy for the shareholder; required documents to be presented at the meeting; and solicitation for advance questions. This is to facilitate all groups of shareholders and ensure that the process is least rights-restrictive and burdensome for the shareholders. The shareholders could download all the aforementioned documents from the company's website <https://www.thaiunionfeedmill.com/th/investor-relations/downloads/shareholders-meetings> since 10 March 2022, 21 days prior to the meeting date. The company was concerned about the health and safety of the shareholders and all concerned persons. Therefore, to reduce the risk of the spread of COVID-19 and to comply with COVID-19 prevention and control measures and practices, it was decided that the AGM be held electronically (E-AGM).



This decision was notified in the AGM invitation letter and made public through the Stock Exchange of Thailand. The shareholders could register their attendance online or using the form attached to the AGM invitation letter.

- The company assigned Thailand Securities Depository Co., Ltd., the company's registrar, to circulate a shortened AGM invitation letter and a proxy form (Form B). The invitation letter contained a QR Code for the shareholder to access the full AGM invitation letter, detailed meeting documents with comments of the Board of Directors for each agenda item, and proxy forms (3 types) giving the shareholder options to appoint someone or nominate one of the independent directors as proxy to attend the meeting and vote by proxy,

or register to attend the meeting online. The annual report was made available in a QR Code format and was sent to the shareholders on 17 March 2022, 14 days prior to the date of the AGM. The Board of Directors appointed 3 independent directors, namely Ms. Rachadaporn Rajchataewindra, Ms. Morragot Kulatumyotin, and Mr. Somchai Nguanvorakul as proxies of the shareholders unable to attend the AGM themselves.

- The company had published the AGM invitation letter in Thai edition of Krongkao newspaper for 3 days prior to the AGM date, to give advance notification to the shareholders to prepare themselves to attend the meeting on the set date and time.



Annual General Meeting of the shareholders

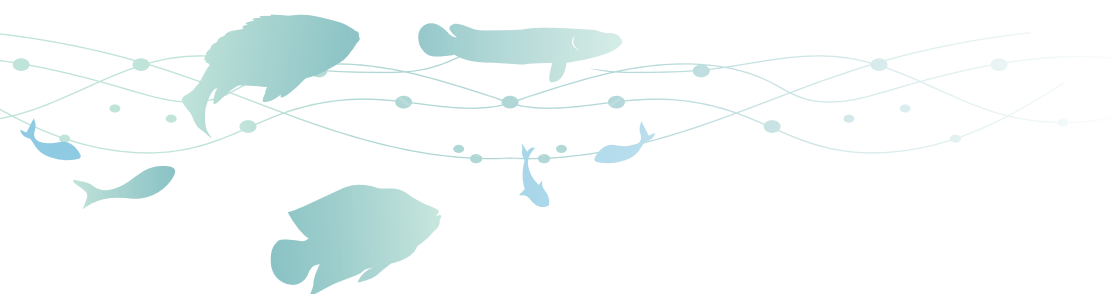
To facilitate equal participation by all shareholders, be they individual or institutional shareholders, dedicated officers were designated to process proxy forms and send out usernames and passwords together with the weblink to access the E-AGM. The AGM Voting system, provided by Inventech Systems Co., Ltd., an independent provider of meeting services, ensured that the E-AGM comply with online meeting standards of the Electronic Transactions Development Agency. This covers preparation of information on shareholders with voting rights; registration; attending shareholders; and in-session vote counting. Registered shareholders could test the system 60 minutes before the start of the meeting. The meeting was broadcast from the meeting room of Inventech Systems Co., Ltd. In 2022, the breakdown of the shareholders registered to attend the AGM themselves and those appointing proxies as follows:

Shareholders	Number (persons)	Number (shares)	Percentage of issued and paid-up share capital
Registered to attend themselves	11	80,000,551	16.00%
Proxies	714	276,819,444	55.36%
Total	725	356,819,995	71.36%

- The Chairman of the Board of Directors assigned the Chief Executive Officer to preside over the 2022 AGM, ensuring that the conduct of the meeting comply with relevant laws and rules as well as the company's regulations. The CEO was joined by chairpersons of all sub-committees and the Chief Financial Officer (CFO).
- Senior executives and a certified public accountant from PricewaterhouseCoopers ABAS Co., Ltd. participated in the AGM to respond to questions in each agenda item. The chairman of the meeting also allocated ample time for the shareholders and encourage them to express their views and ask questions.
- Before the start of the meeting, the chairman of the meeting asked the master of ceremony to introduce to the meeting the company's directors, management team, auditor, and independent legal advisor who served as an impartial observer. The number and percentage of the shareholders attending the meeting themselves and those appointing proxies were announced. The voting procedure and criteria in accordance with Regulation 35 of the company's regulations were clearly explained: all shareholders have equal voting rights with one vote per share; how to vote; and vote counting for each agenda item. During the meeting, all shareholders with voting rights could ask questions, express their views, and offer their suggestions. The company's Board of Directors and executives were always present to answer questions posed by the shareholders.
- The shareholders cast their votes online for every agenda item. The AGM Voting system was used to record voting results for each agenda item, allowing the shareholders to vote no or abstention. The no and abstention votes were then discounted from the total number of the meeting attendees to calculate the number of yes votes for that agenda item. Advance voting results cast in proxy forms were added to tally the final results, which were then recorded in the system for future verification. The system ensures meeting time management and allows the shareholders to exercise their voting rights on electing individual directors. The voting results were clearly announcement in the meeting room at the end of each agenda item, ensuring voting transparency. Records of the meeting in a video format are made available on the company's website.

Post-AGM and meeting report

The company immediately published the decisions of 2022 AGM on every agenda item except the Q&A session on the company's website at <https://www.thaiunionfeedmill.com/th/investor-relations/downloads/shareholders-meetings?year=2022> on the same day. The full AGM report was submitted to the Stock Exchange of Thailand on 15 April 2022 and made available on the company's website on 18 April 2022 or 17 days after the AGM.





6.2 Business ethics

The company is determined to achieve successful business administration. Therefore, in addition to the dedication and attention, commitment to ethics, morality, transparency and honestly will no doubt lead to a sustainable success. To ensure legal and ethical compliance of the company's administration and conduct of the Board of Directors, directors in the sub-committees, executives, and employees, the company has prepared an ethical manual to provide guidelines on ethical business conduct, including guidance for directors, sub-committee directors, executives, and employees to adhere to. Details of the company's business ethics are published on the company's website www.thaiunionfeedmill.com under the topic "Corporate Governance", sub-topic "Corporate Governance Policy".

The company communicates with and train all its executives and employees about business ethics as well as periodically following up on their adherence. Every executive and employee is required to sign a document acknowledging and strictly adhering to the company's business ethics.

6.3 Significant change and development regarding the corporate governance policy, guideline and system in 2022

Significant change and development in 2022

The Board of Directors of Thai Union Feedmill PCL recognizes the importance of corporate governance, which contributes to business sustainability and domestic and international acceptance. As such, the Board of Directors is committed to the principle of corporate governance, the elements of which comprise having executives with leadership, vision and responsibility; having a management structure with monitoring and follow-up mechanisms as well as checks and balances, ensuring fair, ethical and transparent administration; and respecting the equal rights of shareholders and stakeholders. This is in order to enhance the company's business competitiveness and the confidence of investors and stakeholders, as well as ensuring effective business operations, stable and sustainable growth, and creating more investment value for the investors in the long-term. In 2022, the Board of Directors approved the following significant revision made to the corporate governance policy, guideline, and system:

- Revised and approved the corporate governance policy to be in line with the principle of corporate governance for listed companies 2017 (CG Code), providing guidance for all directors, executives, and employees.
- Organized meetings with non-executive directors.
- Appointed the nomination and remuneration committee, comprising 2 independent directors and 1 executive director.

In addition, in 2022, the company received a "good" corporate governance rating (CGR) from the Thai Institute of Directors and a score of ... for the quality assessment of the holding of its AGM (AGM Checklist) from the Thai Investors Association.

Application of the principle of corporate governance for listed companies 2017 (CG Code) of the Securities and Exchange Commission and the Stock Exchange of Thailand

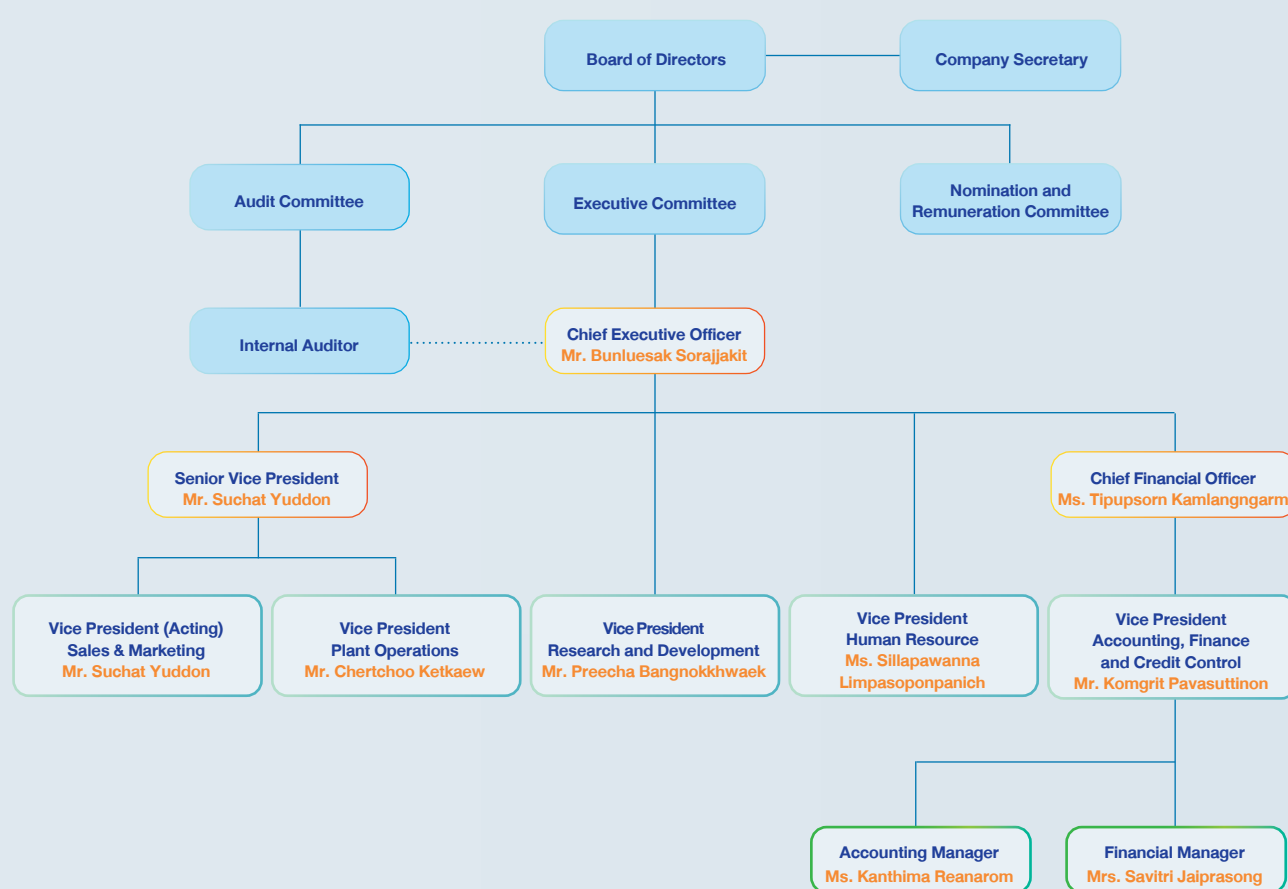
The Board of Directors acknowledges the 2017 CG Code and recognizes its leadership role in creating business value in a sustainable manner. Evaluation on compliance with the corporate governance policy and business ethics is done at least once a year. From the evaluation, it was found the principle of corporate governance was generally complied with. However, there are a few issues of non-compliance as follows:

Issues of non-compliance	Reason / explanation
The Board of Directors appoints a nomination committee with most of the members, including the chairperson, as independent directors	The company's Board of Directors is tasked to ensure that nomination and recruitment is transparent, based on clear criteria and process, taking into account candidates' educational background and professional experience, as well as having the right qualifications, no disqualifications, and sufficient details for the consideration.
An independent director should not hold the position of the company's director for more than 9 years.	Although the company does not impose a 9-year term limit, the Board of Directors has considered and is of the view that existing independent directors are qualified for the position and can offer independent and criteria-based opinions. They also bring to the table their experience, knowledge and expertise, which have contributed to the formulation of the company's strategy and business direction.
The Board of Directors should appoint a corporate governance committee	The company is in the process of creating such committee
The Board of Directors should appoint a risk management committee	The company is in the process of creating such committee
A full version of an invitation letter to attend a shareholders' meeting to be made available on the website at least 30 days prior to the date of the meeting.	The company will do so for the 2023 AGM
Setting targets regarding the management of energy, water resource, and waste, including pollution	The company will disclose said information in this year's 56-1 one report.

Corporate Governance Structure

7.1 Corporate Governance Structure

As of 31 December 2022, 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, the Nomination and Remuneration Committee and the Executive Committee

7.2 Board of Directors

As of 31 December 2022, the Board of Directors consisted of 9 directors as follows:

Name of director	Position(s)	Date of becoming a director	Year of tenure*
1. Mr. Rittirong Boonmechote	Chairman/Chairman of Executive Committee /Member of Nomination and Remuneration Committee	29 June 2000	22 years 6 months
2. Mr. Thiraphong Chansiri	Director/Member of Executive Committee	29 June 2000	22 years 6 months
3. Mr. Cheng Niruttinanon	Director	29 June 2000	22 years 6 months
4. Mr. Bunluesak Sorajjakit	Director/Member of Executive Committee/ Chief Executive Officer	29 June 2000	22 years 6 months
5. Mr. Chan Shue Chung	Director	4 October 2002	20 years 2 months
6. Mr. Kanit Vallayapet	Director	11 February 2021	1 year 10 months
7. Mrs. Rachadaporn Rajchataewindra	Independent Director/Chairman of Audit Committee/Member of Nomination and Remuneration Committee	5 September 2018	4 years 3 months
8. Mr. Somchai Thaisanguanvorakul	Independent Director/Member of Audit Committee/Chairman of Nomination and Remuneration Committee	5 September 2018	4 years 3 months
9. Mrs. Morragot Kulatumyotin	Independent Director/ Member of Audit Committee	5 September 2018	4 years 3 months
Mr. Terapol Soonponrai ¹	Company Secretary		

Remark: ¹ The Board of Directors' Meeting No.5/2022 on 1 November 2022 approved the appointment of Mr. Terapol Soonponrai to be the Company Secretary replacing Ms. Jittra Wikraipaisal effective since 16 November 2022.

*Tenure only calculated up to December 2022

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 system-

atic 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.

Meeting

- 1) Hold at least one Board of Directors' Meeting every three months
- 2) The Meeting schedule shall be set in advance and approve by the Board of Directors
- 3) The Company encourages each director to attend the meeting at least 75% of total number of the meeting in each year, except in case of necessity of emergency.
- 4) The meeting quorum when casting their vote on each agenda shall consist of at least two-thirds of the director.
- 5) The Company will distribute the invitation letter and supporting documents to the directors at least seven days before the meeting date to allow the director having sufficient time for the information

The director nomination and qualification

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. 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.

Qualification of independent director

Under the Corporate Governance Policy, at least one-third of the board members and not less than three persons, must be independent directors. The term of office of independent is three year each and the qualification must meet the following criteria:

1. Not hold shares more than 1% of total voting stocks of TFM including stocks held by connected persons of independent director.
2. Not be nor have been a major shareholder
3. Not be nor have been the board member or executive director, employee, staff, advisor who receives salary of the Company, its subsidiaries or its associate companies.



4. Not be any professional advisor
5. Not have nor had a business relationship with whom may have conflict of interests, in the manner that may interfere with independent judgement:
 - The relation including all business transaction such as ordinary business transaction, ordinary business support transaction, real estate rental transaction, transaction relating to assets or services and providing or receiving financial assistance.
 - Significant transaction with the transaction value over THB 20 million or 3 percent of NTA of the Company (whichever lower). The transaction value must be included the transaction occurred within six months before this transaction.
6. Not be appointed as a representative of the Company's or its board members, shareholder or a shareholder who is related to the Company's major shareholder.
7. Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the Company's business affairs.

The aforementioned qualification of independent director is based on the Company's Corporate Governance.

Role and Responsibilities of Chairman of the Board

Chairman of the Board of Directors is Mr. Rittirong Boonmechote who has been the former Chief Executive Officer and the major shareholder in a proportion of 13.2% as of 31 December 2022. The Chairman of the Board has the duties to oversee policy advocacy and the strategic performance of the Company's management but shall not practice in the daily operations, monitors the meeting effectively according to Company policy and encourages the Board of Directors' duties, responsibilities and the principles of good corporate governance, and oversees and monitors the management of the Board of Directors and other sub-committees to achieve their specified objectives.

7.3 Sub-committees

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

Audit Committee

The Audit Committee was established by the approval of the Board of Directors on 19 October 2018 for the purpose of supporting and acting on behalf of the Board of Directors to review the financial information to be presented to the shareholders and other stakeholders, and to review the risk management systems, the internal control systems, internal audits and good corporate governance, and to control the anti-corruption measures as well as to review the financial reports' preparation for the Company's transparent and trustworthy operations and disclosure of information.

As of 31 December, 2022, 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. Thanyathep Thiwakornsakul 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. Thanyathep Thiwakornsakul, Manager of Internal Audit as the head of Internal Audit, with his qualification education experience and training are qualified for taking in to account on this roles.

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 published 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.
 - a. Transaction which may cause conflicts of interest;
 - b. Fraud or irregular events or material flaws in the internal control system;
 - c. 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.

- 1) The tenure of an Audit Committee member is 3 years.
- 2) Audit Committee member who retires on rotation may be reappointed as deemed appropriate by the Board of Directors.
- 3) Member of the Audit Committee retires in the case of:
 - a. rotation
 - b. retirement from the Board of Directors
 - c. resignation
 - d. death
 - e. 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.
 - f. Decision of the Board of Directors or the shareholders' meeting.
- 4) 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.
- 5) 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.

Nomination and Remuneration Committee

The Board of Directors has set up the Nomination and Remuneration Committee since 3 May 2022 for the purpose of determination of the criteria, nomination procedure, appointment the appropriate person as well as the policy for determining the remuneration of director, sub-committee and/or Chief Executive Officer.

As of 31 December 2022, the Nomination and Remuneration Committee consists of 3 directors as following:

1. Dr. Somchai Thaisanguanvorakul
Chairman of the Nomination and Remuneration Committee
 2. Mrs. Rachadaporn Rajchataewindra
Member of the Nomination and Remuneration Committee
 3. Mr. Rittirong Boonmechote
Member of the Nomination and Remuneration Committee
- Mr. Terapol Soonponrai
Secretary of the Nomination and Remuneration Committee

Scope, Authority, Duties and Responsibilities of the Nomination and Remuneration Committee

Nomination

- 1) Consider the Board of Directors structure including the number of directors to be appropriate with the business and the complication of the business operation as well as the consideration of the director's qualifications, skills, experiences, abilities related to the business or industry of the Company's and its subsidiaries.
- 2) Determine the nomination criteria and procedure as well as the nomination and selection and propose the appropriate person to be the directors and/or Chief Executive Officer.
- 3) Prepare the director's development plan in order to enhance the existing directors and the new directors to understand the Company and its business as well as the roles and duties of director including a significant development.
- 4) Prepare the succession plan for the Chief Executive Officer and high-level management including review the plan by evaluate the position, recruitment and development to have a successor for the executive with knowledge, ability, experience and other qualifications for the Company.

- 5) Evaluate the performance of Chief Executive Officer and present to the Board of Directors' Meeting for consideration

Remuneration

- 6) Prepare the remuneration criteria and policy for the directors, sub-committee, and/or Chief Executive Officer and propose to the Board of Directors for approval and/or the shareholders depending on the authority.
- 7) Determine the financial and non-financial compensation of the Board of Directors by considering the appropriate to the duties, responsibilities and performance by comparing with the similar business and benefit expected from the directors to propose to the Board of Directors for consideration and subsequent approval by the shareholders.

Other

- 8) Consider and review the Charter of Nomination and Remuneration Committee for proposing to the Board of Directors for consideration.
- 9) Evaluate the performance for both as a group and individually at least once a year and report the result to the Board of Directors.
- 10) Carry out any other task assigned by the Board of Directors.

Tenure

The Nomination and Remuneration Committee must consist of at least 3 directors and one-half must be independent director. The Chairman of Nomination and Remuneration Committee must be independent directors.

1. The tenure of a Nomination and Remuneration Committee member is 3 years.
2. Nomination and Remuneration Committee member who retires on rotation may be reappointed as deemed appropriate by the Board of Directors.
3. Member of the Nomination and Remuneration Committee retires in the case of:
 - a. rotation
 - b. retirement from the Board of Directors
 - c. resignation
 - d. death
4. Should a director wish to retire from the Nomination and Remuneration 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.

Executive Committee

The Board of Directors considered and approved the setting up of the Executive Committee on 19 October 2018 to act on behalf of the Board for greater fluidity. They shall approve under framework determined in the delegation of authority approved by the Board of Directors. As of 31 December, 2022, 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. Terapol Soonponrai
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, 2022, the management team consisted of 9 executives as follows:

1. Mr. Bunluesak Sorajjakit	Chief Executive Officer
2. Mr. Suchat Yuddon	Senior Vice President and (Acting) Vice President-Sales and Marketing
3. Ms. Tipupsorn Kamlangngarm ¹	Chief Financial Officer
4. Mr. Chertchoo Ketkaew ²	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. Sillapawanna Limpasoponpanich ³	Vice President-Human Resource
8. Ms. Kanthima Reanarom	Accounting Manager
9. Mrs. Savitri Jaiprasong	Financial Manager

Remark: ¹ Ms. Tipupsorn Kamlangngarm was the Chief Financial Officer since 15 August 2022

² Mr. Chertchoo Ketkaew was the Vice President - Plant operation since 1 August 2022

³ Ms. Sillapawanna Limpasoponpanich was the Vice President - Human Resource since 1 July 2022

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

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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

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 2022.

Department	Number of Employees (person)	
	As of 31 December 2022	
	Full-time	Temporary
1 Plant Operations	345	195
2 Sales and Marketing	87	-
3 Accounting, Finance, and Credit Control	37	-
4 Research and Development	32	37
5 Sales and Marketing Information	11	-
6 Purchasing	12	-
7 Human Resources	8	-
8 Administration	16	3
9 Quality Management System	9	-
10 Livestock Feed Business	7	-
11 Environment, Health and Safety	8	-
12 Planning and Information Technology	11	-
13 Internal Audit	2	-
14 Executive Support ¹	-	-
Total	585	235

Remarks: ¹ The executive support consists of Assistant Company Secretary and drivers.

This can be separated by gender as follow:



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

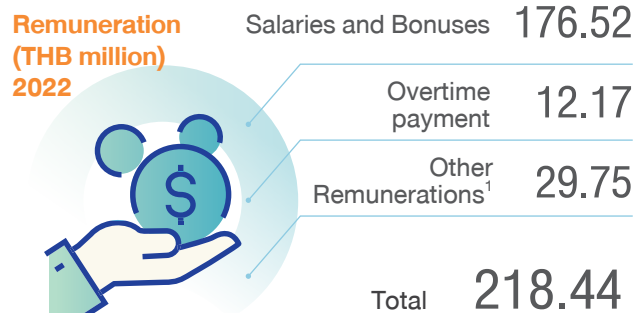
As of 31 December 2020, 2021, and 2022, the Company had, and 820 employees respectively. The Company has seen no significant changes in the number of employees in the last three years. There has been slight increase of the number of employees over time, which reflects the expanding business.

Key Labor Dispute in the last 3 years

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

Employees' Remunerations

In 2022, the Company and its subsidiaries paid the following remunerations to employees



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

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 517 employees out of 591 employees joining provident fund, representing 87.48%.

7.6 Other Important Information

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

Assigned Supervisor for Accounting
Company Secretary
Head of Internal Audit
Head of Compliance

: Ms. Kanthima Reanarom
: Mr. Terapol Soonponrai
: Mr. Thanyathep Thiwakornsakul
: Mr. Terapol Soonponrai

Name of the Head of Investor Relations and Contact Details

Head of Investor Relations and Contact Details

: Mr. Terapol Soonponrai
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

Remunerations for the External Auditor

(1) Audit Fee

For the accounting year ending 31 December 2022, the Company paid remunerations as an audit fee to PricewaterhouseCoopers ABAS Limited ("PwC") totaling THB 2,834,540 consisting of the fee for quarterly reviewing of financial statements and annual auditing fee totaling THB 2,700,000 Baht. Moreover, there were Out of Pocket Expenses of THB 134,540

(2) Non-Audit Fee

For the accounting year ending 31 December 2022, the Company paid Non-Audit Fee to PwC consisting of [audit fee for projects receiving BOI's investment promotion certificates totaling THB 320,046.

In 2022, subsidiaries paid the following remunerations for the auditor:

Subsidiary	Audit Fee		Non-Audit Fee	
	Amount	Detail	Amount	Detail
TUKL	IDR 38.9 million (excluding other expenses)	Audit fee paid to PKF Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan dan Rekan ("PKF")	IDR 56.0 million	Service fee on tax consulting paid to ARIEF & HANDRIONO ("Tax unit of PKF")
AMG-TFM	PKR 0.9 million (excluding other expenses)	Audit fee paid to Baker Tilly Mehmood Idrees Qamar	-none-	-none-



Report on Key Operation Results on Corporate Governance

8.1 Summary of Duty Performance of the Board of Directors in 2022

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/Sub-committee; (3) roles, duties and responsibilities of the Board of Directors/Sub-committee; (4) others. As for the individual assessment, the criteria are divided into 3 sections namely; (1) structure and qualifications of the Board of Directors/Sub-committees; (2) the meetings ; and (3) roles, duties, and responsibilities of the Board of Directors/Sub-committee. 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 all other committees in 2022 had the average scores as follows:

	Collective Assessment	Individual Assessment
Board of Directors	3.86	3.87
Audit Committee	3.93	4.00
Executive Committee	3.68	3.78
Nomination and Remuneration Committee	3.92	3.98

Meeting of Non-Executive Directors

The Company set up the non-executive directors meeting at least once a year for non-executive directors to discuss matters about the executive performance which shall be concluded all the matters and feedbacked to the Chief Executive Officer to improve their performance. In 2022, the meeting of non-executive directors was held on 6 December 2022.

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 2022, the following directors attended courses that are beneficial to the performance of the Board of Directors.

Director	Training in 2022
Mr. Chan Shue Chung	Agriculture and Cooperatives Executive Program (ACE) Class 2/2022
Mrs. Rachadaporn Rajchataewindra	Risk Management Program for Corporate Leader (RCL) Class 28/2022

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.



Meeting Attendance and Remunerations for Individual Directors

Meeting Attendance

Details on the meeting attendance of each director in 2022 are shown in the following table:

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

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 2022 Annual General Meeting of Shareholders on 1 April 2022, the remunerations for directors for the year 2022 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-

Remarks: 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 2022

Full Name	Position	From 1 January-31 December 2022 (THB)		
		Director	Audit Committee Member	Total Amount
1. Mr. Rittirong Boonmechote	Chairman of the Board of Directors	390,000	-	390,000
2. Mr. Thiraphong Chansiri	Director	280,000	-	280,000
3. Mr. Cheng Niruttinanon	Director	300,000	-	300,000
4. Mr. Bunluesak Sorajjakit	Director	300,000	-	300,000
5. Mr. Chan Shue Chung	Director	300,000	-	300,000
6. Mr. Kanit Vallayapet ¹	Director	300,000	-	300,000
7. Mrs. Rachadaporn Rajchataewindra	Independent Director/Chairman of the Audit Committee	300,000	240,000	540,000
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	300,000	180,000	480,000
	Total	2,760,000	600,000	3,360,000

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

1.2 Remunerations for the Executives

In 2022, 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 20.24 million.

2. Other Remunerations

For the accounting year that ended on 31 December 2022, the Company paid other remunerations for executives consisting of payment of provident fund and payment for social security fund. 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.



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.

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.

The Company sent the directors and executive totally 4 members to be the Board of Commissioners and one executive to be the Board of Directors of TUKL which is a subsidiary in Indonesia. Those executive and directors were approved by the Board of Directors. In this year, there was an executive who was no

longer the Company employee. The Company appointed the qualified person to replace who resigned. The executive and the directors have assigned TUKL team to report their transactions and any updates every two weeks and/or ask for approval in any case in accordance with the Company policies.

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 2022, 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.

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.

2022 there was no incident that any director, executive or employee was in breach of that policy.

Use of Inside 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 2022, directors and executives were not found to conduct securities/stock transactions using the abovementioned internal information.

Anti-corruption Action

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"

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 2022

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 2022 under the scope of duties and responsibilities tasked by the Board of Directors can be summarized as follows:

1. The Committee reviewed the 2022 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.
2. 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.
3. 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.
4. 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.
5. 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.

6. 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.
 7. 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.
 8. 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.
 9. 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

8.3 Report on the Results of Duty Performance of the other Sub-Committees

Report on the Results of Duty Performance of the Executive Committee

Members of the Executive Committee and their Meeting Attendance in 2022

Full Name	Position	Status	Meeting Attendance
1. Mr. Rittirong Boonmechote	Chairman	Director	6/6 (100%)
2. Mr. Thiraphon Chansiri	Member	Director	6/6 (100%)
3. Mr. Bunluesak Sorajjakit	Member	Director	6/6 (100%)

Dear Shareholders,

In 2018, the Board of Directors has approved the setting up of the Executive Committee for greater fluidity and act on behalf the Board of Directors. The Executive Committee member comprises of two executive directors and one executive, totalling three members.

In 2022, The Executive Committee held a total six (6) meeting and performed its duties in accordance with the authorities and responsibilities in its Charter with the summary as follows:

1. Review and acknowledge the overseas subsidiaries performance and closely monitoring.
2. Review and acknowledge the research and development project result.
3. Review and approve the increase of the capital injection and the expansion project.
4. Review and approve the getting mortgage of the receivable.



Mr. Rittirong Boonmechote
Chairman of the Executive Committee

Report on the Results of Duty Performance of the Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee and their Meeting Attendance in 2022

Full Name	Position	Status	Meeting Attendance
4. Dr. Somchai Thaisanguanvorakul	Chairman	Independent Director	1/1 (100%)
5. Mrs. Rachadapron Rajchataewindra	Member	Independent Director	1/1 (100%)
6. Mr. Rittirong Boonmechote	Member	Director	1/1 (100%)

The Results of Duty Performance of the Nomination and Remuneration Committee

Dear Shareholders,

In 2022, the Board of Directors approved the setting up of the Nomination and Remuneration Committee and assigned to act on behalf of the Board of Directors as defined in the Nomination and Remuneration Committee's charter and policy relating to the recruitment, selection and presentation of individual directors to the Board. The recruitment is mainly focus on the knowledges, abilities, experiences and the great working experience, vision, ethics and time commitment to benefit the company's operation, as well as to offer a compensation plan for the Board and Committees, including the recruitment and selection of the executive.

In 2022, the Nomination and Remuneration Committee held one (1) meeting to consider and select the candidate to be the Chief Executive Officer due to the retirement of Mr. Bunluesak Sorajjakit, effective on 31 December 2022. The Nomination and Remuneration Committee held the meeting to recruit and select the candidate. The meeting has resolved and proposed Mr. Peerasak Boonmechote to be the Chief Executive Officer, effective on 1 January 2023.

The Nomination and Remuneration Committee has fully executed its duties as assigned by the Board of Directors with due diligence and transparency for highest benefit of the company and every shareholder.



Mr. Somchai Thaisanguanvorakul
Chairman of the Nomination and Remuneration Committee

Internal Control and Inter-company Transactions



9.1 Internal Control

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 of each year since 2021 and the latest in 2022. 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 2023.

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.

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 16 February 2022 to end of 2022 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.

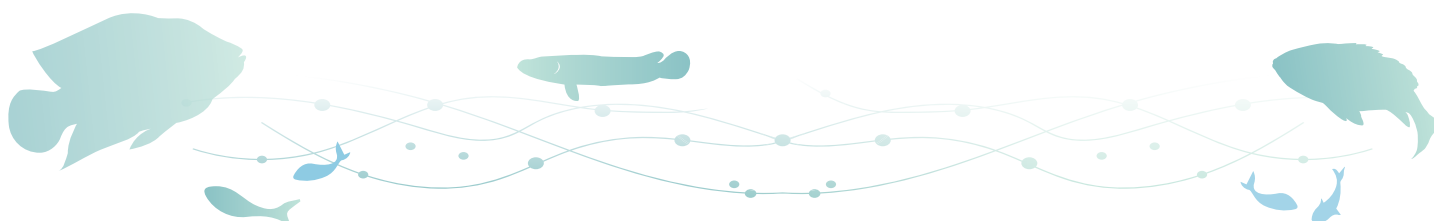
Approval of the Guidelines on Appointment, Dismissal and Transfer of Head of Internal Audit

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.

The Company's Internal Audit

The Company's internal audit plan for 2022 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. Thanyathep Thiwakornsakul 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 2022 can be summarized as follows:

No.	Audit Session	Area of Audit	Auditor
1	1 st -2 nd Quarter of 2022	Production and planning systems	IATFM
2	3 rd -4 th Quarter of 2022	Raw material and general Procurement and payment systems	IATFM
3		Debt collection and monitoring systems	IATU
4		IT General Control systems (ITGC)	IATU
		PDPA compliance review	
		Application controls review-SAP	
		SAP post-implementation	
		Follow-up and resolve 2021 audited result of sales daily and SCADA	
5		Review 2022 adequacy of the internal control systems in accordance with the evaluation prescribed by the 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 December of each year.

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 Audit Committee Meeting No.1/2022 on 16 February 2022 approved the appointment of Mr. Thanyatthep Thiwakornsakul to be the 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 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.

Observations of the Auditor

PricewaterhouseCoopers ABAS Limited, the Company's auditor, has audited the financial statements for the accounting year ending on 31 December 2022. 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 2022. The auditor reported the outcome to an Audit Committee meeting in the first quarter of 2022.

9.2 Related Party Transactions

Detail of Related Party Transaction for the year ending 31 December 2021 and 31 December 2022

Summary of related transactions

Entity that may be in Conflict of Interest	Relations	Price policy	Related transactions	For the year ended 31 Dec	
				2021 THB million	2022 THB million
1. Thai Union Group Public Company Limited (TU)– manufacturer and exporter of frozen and canned food	- 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 12.058 percent in the Company, and with direct shareholding of 1.3 percent of the registered and paid-up capital of TU. Common directors are: (1) Mr. Thiraphong Chansiri ("Mr. Thiraphong") (2) Mr. Rittirong Boonmechote ("Mr. Rittirong") (3) Mr. Cheng Niruttinanon ("Mr. Cheng") and (4) Mr. Chan Shue Chung	market price equivalent to ordinary customers	Normal business transactions consist of		
			• Purchase white shrimp from TFM	5.94	8.24
			• Purchase diesel fuel from TFM	0.26	0.39
			• Purchase frozen sea bass from TFM	42.21	None
			• Sell raw materials (shrimp shell + liquid Fish Condensate) to TFM	29.44	17.47
			• Cost of canned fish	0.12	–
			• Gift basket fee + neck strap + phone fee + PURC service fee	0.53	0.11
			• Cost of O365 License	0.42	0.46
			• Training fees are charged to TFM	0.10	0.51
			• Management fees	13.28	18.94
			• Service charge HRM	0.30	0.22
			• Rental fee TU farm	0.50	0.50
			• SAP (August–December)	None	4.88
			• WAN OPT. SERVICE	None	0.37
2. Okeanos Food Co., Ltd. (OKF)– manufacturer and exporter of frozen and canned food	- 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: (1) Mr. Thiraphong and (2) Mr. Rittirong	market price equivalent to ordinary customers	Normal business transactions consist of		
			• Sell raw material (shrimp shell) to TFM	22.77	20.56
			• Sell Webcam camera to TFM	None	–
			• Sell staff uniforms to TFM	–	None

Entity that may be in Conflict of Interest	Relations	Price policy	Related transactions	For the year ended 31 Dec	
				2021 THB million	2022 THB million
3. Thai Union Seafood Co., Ltd. (TUS)- Manufacturer and exporter of frozen and canned food.	- Common Shareholders are: - 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: - Mr. Thiraphong - Mr. Rittirong and - Mr. Chan Shue Chung	market price equivalent to ordinary customers	Normal business transactions consist of		
			Sell raw material (shrimp shell) to TFM	10.02	11.34
			Personnel cost HR to TFM	0.15	None
			Sell plastic seals to TFM	-	None
4. Avanti Feeds Limited (AVANTI)- Manufacturer and distributor of aquaculture feeds in India	- 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	market price equivalent to ordinary customers	Normal business transactions consist of Pay royalty fee to TFM	47.11	44.24
5. TMAC Co., Ltd. (TMAC)- Investment in breeding farms and shrimp breeding	- 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: - Mr. Rittirong and - Mr. Bunluesak	market price equivalent to ordinary customers	Normal business transactions consist of		
			Purchase shrimp feed from TFM	8.43	5.38
			Purchase Tuna paste+input product from TFM	0.04	0.05
			Pay office rent and filing room rent	0.36	0.36
			Electricity fee+telephone fee	0.02	0.01
			Pay shrimp feed transportation from TFM to TMAC farm	0.15	0.08
			Sales and return of TFM shrimp feed additive	0.49	-0.01
			Cost of raising shrimp at the farm for TFM	0.66	None
			Pay for material analysis+ certificate documents	None	0.01

Entity that may be in Conflict of Interest	Relations	Price policy	Related transactions	For the year ended 31 Dec	
				2021 THB million	2022 THB million
6. TMK Farm Co., Ltd. (TMK)-Breeding farm and shrimp breeding	- 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: (1) Mr. Rittirong and (2) Mr. Bunluesak	market price equivalent to ordinary customers	Normal business transactions consist of		
			Purchase shrimp feed from TFM	20.03	15.10
			Purchase Tuna paste+input product and microorganism	0.19	0.13
			Rental fee TU farm	1.50	1.50
7. TCM Fishery Co., Ltd. (TCM)-Breeding farm and shrimp breeding	- 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: (1) Mr. Rittirong and (2) Mr. Bunluesak	market price equivalent to ordinary customers	Normal business transactions consist of		
			Purchase shrimp feed from TFM	8.72	6.03
			Purchase Tuna paste+input product and microorganism	0.06	0.06

Entity that may be in Conflict of Interest	Relations	Price policy	Related transactions	For the year ended 31 Dec	
				2021 THB million	2022 THB million
8. Thai Union Hatchery Co., Ltd. (TUH)-Shrimp breeding and shrimp nursery	- 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: (1) Mr. Rittirong and (2) Mr. Bunluesak	market price equivalent to ordinary customers	Normal business transactions consist of		
			• Purchase shrimp feed from TFM	1.61	0.86
			• Purchase input product	None	0.23
			• Pay incentive fee to TFM sales staff	0.69	0.22
			• Sell baby shrimp to TFM	0.52	0.28
9. Jana Fish Industries Co., Ltd. (Jana)-Manufacturer of fish meal which is used as animal feeds	- 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	market price equivalent to ordinary customers	Normal business transactions consist of		
			• Sell fishmeal to TFM	35.85	15.91
			• Sell Fish soluble extract to TFM		
10. T.C. Union Agrotech Co., Ltd. (TC Union)-Manufacturer of fish meal which is used as animal feed	- 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.	market price equivalent to ordinary customers	• Sell Fish Oil to TFM	None	3.82
			Normal business transactions consist of		
			• Sell fishmeal to TFM	146.88	176.98
			• Sell Fish soluble extract to TFM	9.84	14.25
			• Sell fresh fish fillings to TFM	11.03	11.51
			• Pay for material analysis+ certificate documents	None	-

Entity that may be in Conflict of Interest	Relations	Price policy	Related transactions	For the year ended 31 Dec	
				2021 THB million	2022 THB million
11. SPF Diana (Thailand) Co., Ltd. (SPF)-Manufacturer of fish meal which is used as animal feed	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)	market price equivalent to ordinary customers	Normal business transactions consist of Sell raw material to TFM	1.17	None
12. Asia-Pacific Risk Consultants (Thailand) Co., Ltd. (APRC)-broker of non-life insurance	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.	market price equivalent to ordinary customers	Normal business transactions consist of - Insurance premium charge - Employee group insurance premiums (Year 2021 is APRI)	6.11 0.50	6.28 1.36
13. Thai Union Hi-tech Pearl Cultivation Co., Ltd. (THPC)-pearl culture	- Mr. Thiraphong, a director of the Company and a major shareholder of TU, holds shares in TU in the proportion of 10.7 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	market price equivalent to ordinary customers	Normal business transactions consist of Purchase shrimp feed from TFM	35.71	19.45

Entity that may be in Conflict of Interest	Relations	Price policy	Related transactions	For the year ended 31 Dec	
				2021 THB million	2022 THB million
14. Thai Union Manufacturing Co.,Ltd. (TUM) Manufacturer and exporter of canned tuna and pet food	- 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: (1) Mr. Thiraphong and (2) Mr. Cheng	market price equivalent to ordinary customers	Normal business transactions consist of - Purchase pet food from TFM - Purchase seabass fish balls from TFM to try - Pay for material analysis and reprocess charge - Management fees - Fees for sending and receiving information of inbound-outbound declarations - Sell TUNA MEAL to TFM - Training fees	6.01 - 0.20 0.65 - 0.04 0.06	None None None 1.08 - None None
15. EHS Training and Services Co.,Ltd (EHS)- Consultant on environment, health and safety	- 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	market price equivalent to ordinary customers	Normal business transactions consist of Training fees	None	0.01
16. Chansiri Real Estate Co., Ltd.	- Mr. Thiraphong, a director of the Company and a major shareholder of TU, holds shares in TU in the proportion of 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	market price equivalent to ordinary customers	Normal business transactions consist of SM Tower building rental	0.13	0.04

Entity that may be in Conflict of Interest	Relations	Price policy	Related transactions	For the year ended 31 Dec	
				2021 THB million	2022 THB million
17. I-Tail Corporation Public Co., Ltd.	- 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.	market price equivalent to ordinary customers	Normal business transactions consist of - Purchase shrimp feed from TFM - Sell fishmeal to TFM	None	2.80
18. PT Thai Union Kharisma Lestari (TUKL)	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.	market price equivalent to ordinary customers	Normal business transactions consist of - Purchase shrimp feed from TFM to try sale at Indonesia - Pay loan guarantee fee	0.67	None
19. Boonpetch Kasetpan (Boonpetch Kasetpan)-Distributor/retailer of animal feeds	Mr. Prayot Sorajjakit ("Mr. Prayot") who is a younger brother of Mr. Banluesak and/or Mrs. Sunanta ("Sunanta") who is a spouse of Mr. Prayot, the owner and operator of the businesses.	market price equivalent to ordinary customers	Normal business transactions consist of Purchase fish feed from TFM	3.00	8.24
20. Arnon Farm (Arnon Farm)-aquaculture			Normal business transactions consist of Purchase fish feed from TFM	3.08	13.07
21. Wanchai Farm (Wanchai Farm)-aquaculture			Normal business transactions consist of Purchase fish feed from TFM	2.31	14.24
22. Nong Pla Tapien Farm (Nong Pla Tapien Farm)-aquaculture			Normal business transactions consist of Purchase fish feed from TFM	13.78	8.06
23. Chainarong Farm (Chainarong Farm)-aquaculture			Normal business transactions consist of: Purchase fish feed from TFM	2.87	11.02

Entity that may be in Conflict of Interest	Relations	Price policy	Related transactions	For the year ended 31 Dec	
				2021 THB million	2022 THB million
24. Penroong Farm (PenroongFarm) -aquaculture			Normal business transactions consist of • Purchase fish feed from TFM	3.01	10.34
25. Mongkon Farm (Mongkon Farm) -aquaculture			Normal business transactions consist of • Purchase fish feed from TFM	2.72	10.09
26. 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)			Normal business transactions consist of • Purchase fish feed from TFM	45.42	61.13
27. Mrs. Pong Sorajjakit (Mrs. Pong)	• Spouse of Mr. Sookpat Sorajjakit, Older brother of Mr. Bunluesak	market price equivalent to ordinary customers	Normal business transactions consist of • Purchase processed sea bass products from TFM	0.02	None
28. Mrs. Thiraporn Paktaweerakul (Mrs. Thiraporn)	• Younger sister of Mr. Bunluesak	market price equivalent to ordinary customers	Normal business transactions consist of • Purchase processed sea bass products from TFM	0.05	None

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.

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 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.

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.

03 FINANCIAL STATEMENTS



The Board of Directors concluded that the Company's consolidated financial statements were credible, **in compliance with certified accounting standards and relevant 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 transparency 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 2022. 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 2022, 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 2022;
- the consolidated and separate statements of income for the year then ended;
- 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 including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the 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
Allowance for expected credit loss for trade receivables Refer to Note 4.4 'Accounting policies-Trade receivables', Note 5.1.2 b) 'Impairment of financial assets' and Note 11 'Trade receivables, net' to the consolidated and separate financial statements. As of 31 December 2022, the Group has net trade receivables in the consolidated and separate financial statements in the amount of Baht 771 million and Baht 648 million, respectively, representing 24% and 22% of total assets. The loss allowance for trade receivables included in the consolidated and separate financial statements totalled Baht 120 million and Baht 114 million, respectively. The Group management has the policy to assess the collectability	I evaluated the appropriateness of the loss allowance on trade receivables by: • 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

Key audit matter	How my audit addressed the key audit matter
of outstanding trade receivables and the appropriate loss allowance for trade receivables based on overdue balance, historical collectability and collaterals and forward-looking factors that may affect the collectability. 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. 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.	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 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 • 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. 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.

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 2023

Thai Union Feedmill Public Company Limited
STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Notes	Consolidated financial statement		Separate financial statement	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Current assets					
Cash and cash equivalents	10	165,385	346,378	162,190	332,334
Short-term investment	5, 10	50,000	200,000	50,000	200,000
Trade and other receivables, net	11, 30.2	795,189	657,848	669,777	587,392
Inventories, net	12	564,410	487,082	515,222	470,576
Other current assets		439	703	439	703
Total current assets		1,575,423	1,692,011	1,397,628	1,591,005
Non-current assets					
Investment in a subsidiaries using cost method	13	-	-	528,681	333,120
Property, plant and equipment, net	14	1,556,606	1,587,476	952,139	943,476
Right-of-use assets, net	15	9,197	14,896	5,307	7,466
Intangible assets, net	16	1,359	3,435	1,239	3,319
Deferred tax assets, net	17	33,919	12,144	12,375	12,140
Other non-current assets		25,414	33,601	22,219	21,339
Total non-current assets		1,626,495	1,651,552	1,521,960	1,320,860
Total assets		3,201,918	3,343,563	2,919,588	2,911,865

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 2022

		Consolidated financial statement		Separate financial statement	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Notes		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity					
Current liabilities					
Short-term loans from financial institution	18	48,620	-	-	-
Trade and other payables	19, 30.2	546,613	576,962	472,385	528,047
Current portion of lease liabilities, net	15	4,611	4,851	2,898	2,774
Current portion of long-term loans from financial institution, net	20	-	5,875	-	-
Income tax payable		12,128	376	12,827	-
Other current liabilities		8,114	1,665	7,167	1,526
Total current liabilities		620,086	589,729	495,277	532,347
Non-current liabilities					
Lease liabilities, net	15	3,731	8,730	1,719	3,604
Long-term loans from a financial institution, net	20	-	193,875	-	-
Deferred tax liabilities	17	-	1,242	-	-
Employee benefit obligations	21	133,050	146,549	132,650	146,440
Other non current liabilities	30.2	1,043	-	1,043	-
Total non-current liabilities		137,824	350,396	135,412	150,044
Total liabilities		757,910	940,125	630,689	682,391
Liabilities and equity (continued)					
Equity					
Share capital					
Authorised share capital					
500,000,000 ordinary shares					
at a par value of Baht 2 each					
22		1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid-up share capital					
500,000,000 ordinary shares					
paid-up of Baht 2 each					
22		1,000,000	1,000,000	1,000,000	1,000,000
Premium on share capital	22	1,006,859	1,006,859	1,006,859	1,006,859
Retained earnings					
Appropriated - legal reserve					
24		100,000	100,000	100,000	100,000
Unappropriated					
		125,589	106,339	182,040	122,615
Other components of equity					
		(39,093)	3,964	-	-
Equity attributable to owners of the Company		2,193,355	2,217,162	2,288,899	2,229,474
Non-controlling interests		250,653	186,276	-	-
Total equity		2,444,008	2,403,438	2,288,899	2,229,474
Total liabilities and equity		3,201,918	3,343,563	2,919,588	2,911,865

The accompanying notes are integral part of these financial statements.

Thai Union Feedmill Public Company Limited
STATEMENT OF INCOME
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Sales	8, 30.1	4,888,301	4,773,104	4,657,896	4,615,924
Cost of sales		(4,481,965)	(4,278,231)	(4,231,381)	(4,141,490)
Gross profit		406,336	494,873	426,515	474,434
Other income	25, 30.1	71,153	60,855	71,402	60,418
Profit before expenses		477,489	555,728	497,917	534,852
Selling expenses		(177,447)	(172,178)	(165,867)	(169,062)
Administrative expenses		(170,222)	(156,733)	(146,682)	(139,152)
Impairment losses on trade and other receivables	5.1	(30,949)	(13,094)	(24,538)	(11,635)
Gain (loss) on exchange rates, net		6,745	5,500	4,298	5,107
Other (gains) losses, net		(41)	(622)	(41)	(622)
Finance costs		(26,272)	(8,765)	(293)	(4,693)
Profit before income tax		79,303	209,836	164,794	214,795
Income tax	27	8,972	(165)	(15,084)	3,609
Profit for the year		88,275	209,671	149,710	218,404
Profit (Loss) attributable to:					
Owners of the parent		109,535	211,498	149,710	218,404
Non-controlling interests		(21,260)	(1,827)	-	-
Profit for the year		88,275	209,671	149,710	218,404
Earnings per share for profit attributable to the owners of the parent (Baht)					
Basic earnings per share	28	0.22	0.50	0.30	0.51

Thai Union Feedmill Public Company Limited
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit for the year		88,275	209,671	149,710	218,404
Other comprehensive income (expenses):					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurement gain (loss) of employment benefit obligations, net of income tax	27	9,715	(7,354)	9,715	(7,354)
Total items that will not be reclassified subsequently to profit or loss		9,715	(7,354)	9,715	(7,354)
Items that will be reclassified subsequently to profit or loss					
- Exchange differences on translation		(69,412)	35,209	-	-
Total items that will be reclassified subsequently to profit or loss		(69,412)	35,209	-	-
Other comprehensive income (expenses) for the year, net of income tax		(59,697)	27,855	9,715	(7,354)
Total comprehensive income for the year		<u>28,578</u>	<u>237,526</u>	<u>159,425</u>	<u>211,050</u>
Total comprehensive income (expenses) attributable to:					
Owners of the parent		76,193	227,732	159,425	211,050
Non-controlling interests		(47,615)	9,794	-	-
Total comprehensive income for the year		<u>28,578</u>	<u>237,526</u>	<u>159,425</u>	<u>211,050</u>

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 2022

	Consolidated financial statement							
	Attributable to owners of the Company							
	Retained earnings			Other components of equity			Total equity	
	Issued and paid-up share capital	Premium on share capital	Appropriated - legal reserve	Exchange differences on translation	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
	820,000	-	100,000	(19,624)	(19,624)	1,335,571	147,083	1,482,654
22	180,000	1,006,859	-	-	-	1,186,859	-	1,186,859
	-	-	-	-	-	-	-	-
23	-	-	-	-	-	(533,000)	-	(533,000)
	-	-	-	-	-	211,498	(1,827)	209,671
	-	-	-	23,588	23,588	16,234	11,621	27,855
	1,000,000	1,006,859	100,000	3,964	3,964	2,217,162	186,276	2,403,438
	1,000,000	1,006,859	100,000	3,964	3,964	2,217,162	186,276	2,403,438
	-	-	-	-	-	-	-	-
23	-	-	-	-	-	(100,000)	111,992	111,992
	-	-	-	-	-	109,535	(21,260)	88,275
	-	-	-	(43,057)	(43,057)	(33,342)	(26,355)	(59,697)
	1,000,000	1,006,859	100,000	(39,093)	(39,093)	2,193,355	250,653	2,444,008

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 2022

Separate financial statement					
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity
			Appropriated - legal reserve	Unappropriated	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance as at 1 January 2021	820,000	-	100,000	444,565	1,364,565
Ordinary shares issued	22	180,000	1,006,859	-	1,186,859
Dividend payment	23	-	-	(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
Opening balance as at 1 January 2022	1,000,000	1,006,859	100,000	122,615	2,229,474
Dividend payment	23	-	-	(100,000)	(100,000)
Profit for the year	-	-	-	149,710	149,710
Other comprehensive income (expenses) for the year	-	-	-	9,715	9,715
Closing balance as at 31 December 2022	1,000,000	1,006,859	100,000	182,040	2,288,899

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 2022

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities					
Profit before income tax		79,303	209,836	164,794	214,795
Adjustment items:					
Depreciation expenses	14, 15	184,172	147,513	143,710	144,219
Amortisation expenses	16	2,555	3,131	2,490	3,118
Allowance for (Reversal of) doubtful accounts	5.1.2	30,949	13,094	24,538	11,635
Allowance for (Reversal of) diminution in value of invento	26	7,786	(310)	7,999	(639)
Fair value adjustments to financial instruments, net		3,567	(457)	3,567	(457)
(Gain) Loss on disposals and write-offs of property, plant and equipment, right-of-use aseets, and intangible assets, net		(168)	622	(168)	622
Reversal of allowance for impairment of property, plant and equipment		(7,670)	(2,340)	(7,670)	(2,340)
Employee benefit obligations	21	16,288	16,960	15,944	16,850
(Gain) Loss on exchange rates, net		84	(261)	84	146
Finance costs		26,272	8,765	293	4,693
Interest income		(1,121)	(84)	(1,081)	(84)
		342,017	396,469	354,500	392,558
Changes in operating assets and liabilities:					
(Increase) Decrease in trade and other receivables		(188,385)	(135,686)	(106,538)	(60,489)
(Increase) Decrease in inventories		(90,227)	(13,205)	(53,624)	3,309
(Increase) Decrease in other current assets		(279)	(25)	(279)	(25)
(Increase) Decrease in other non-current assets		8,908	652	(8)	(66)
Increase (Decrease) in trade and other payables		(21,338)	69,683	(55,663)	20,491
Increase (Decrease) in other current liabilities		4,058	(2,912)	2,617	(2,975)
Cash paid for employee benefit obligations	21	(16,579)	(3,485)	(16,579)	(3,485)
Cash flows receipts from operations		38,175	311,491	124,426	349,318
Interest received		1,121	84	1,081	84
Income tax paid		(6,283)	(8,837)	(5,761)	(6,980)
Net cash receipts from operating activities		33,013	302,738	119,746	342,422

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 2022

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from investing activities					
Cash payment for short term investment	10	-	(200,000)	-	(200,000)
Cash receipt for short term investment		150,000	-	150,000	-
Purchases of property, plant and equipment		(179,256)	(380,970)	(149,495)	(75,460)
Purchase of intangible assets	16	(493)	(433)	(412)	(302)
Proceeds from disposals of property, plant and equipment, right-of-use assets, and intangible assets		9,302	2,626	9,302	2,626
Cash payments for investment in subsidiaries	13	-	-	195,561	(30,971)
Net cash payment for investing activities		(20,447)	(578,777)	(186,166)	(304,107)
Cash flows from financing activities					
Net cash receipts (payments) from short-term loans from financial institution	29	51,999	(359,481)	-	(359,481)
Cash receipts from long-term loan from a financial institution	20	34,500	191,000	-	-
Cash payments for long-term loan from a financial institution	20	(220,000)	-	-	-
Cash receipts from share capital issuance	22	-	1,186,859	-	1,186,859
Interest paid	29	(27,562)	(6,028)	-	(4,417)
Cash payments for lease liabilities	15, 29	(5,986)	(6,620)	(3,747)	(4,816)
Receipts from non-controlling interests for additional share capital in a subsidiaries		111,992	29,399	-	-
Dividends paid to the owners of the Company	23	(100,000)	(533,000)	(100,000)	(533,000)
Net cash receipts from (payments for) financing activities		(155,057)	502,129	(103,747)	285,145
Net increase (decrease) in cash and cash equivalents					
Cash and cash equivalents - opening balance	10	346,378	119,265	332,334	8,817
Exchange difference on cash and cash equivalents		(38,502)	1,023	23	57
Cash and cash equivalents - closing balance	10	165,385	346,378	162,190	332,334
Non-cash items					
Payable balances from purchase of property, plant and equipment (included in trade and other payable)	19	20,758	11,304	10,813	11,304
Acquisitions of right-of-use assets under lease contracts	15	2,794	13,151	2,384	3,772

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 2022

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 2023.

2 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 7.

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.

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2022

- a) **Revised Conceptual 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 income statement. 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's management assessed and considered that the above new and amended standards do not have a significant impact on the Group.

3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023

Certain amended TFRSs have been issued that are not mandatory for the current reporting period.

- Amendment to TAS 16-Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- Amendment to TAS 37-Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- Amendment to TAS 41 Agriculture** clarified about removal of the requirement for entities to exclude cash flows for taxation when measuring fair value of biological asset.
- Amendment to TFRS 3-Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- Amendment to TFRS 9-Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

4 Accounting policies

4.1 Principles of consolidation and equity accounting

4.1.1 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 13.

4.1.2 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.

4.1.3 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 have been changed where necessary to ensure consistency with the policies adopted by the Group.

4.2 Foreign currency translation

4.2.1 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.

4.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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.

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.

4.2.3 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.

4.3 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.

4.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 0-90 days and therefore are all classified as current.

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 4.6.

4.5 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.

4.6 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.

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.

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.

4.7 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 net other gains or losses in the statement of income.

4.8 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.

4.9 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.

4.10 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 can include fixed payments; variable payments that depend on an index or rate known at the commencement date; and extension option payments or purchase options which the Group is reasonably certain to exercise.

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.

The lease liability is measured in subsequent periods using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of negotiation, changes of an index or rate or in case of reassessment of options.

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.

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.

4.11 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.

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.

4.12 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.

4.13 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 substantively 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.

4.14 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.

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.

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.

4.15 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.

4.16 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.

4.17 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.

4.18 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.

4.19 Derivatives that do not qualify for hedge accounting

Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in net other gains or losses in the statement of income.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

4.20 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.

5 Financial risk management

5.1 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.

5.1.1 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.

Exposure

The Group's and the Company's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

As at 31 December Foreign currency	Consolidated financial statements			
	Financial assets		Financial liabilities	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
USD	8,898	46,780	57,219	39,985
Euro	-	-	1,613	-
As at 31 December Foreign currency	Separate financial statements			
	Financial assets		Financial liabilities	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
USD	8,898	46,780	43,660	39,985
Euro	-	-	1,613	-

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	
	2022 Thousand Baht	2021 Thousand Baht
Exchange rate THB to USD Increase / Decrease 1% (2020: 5%)	Decrease / Increase 483	Decrease / Increase 340

The Group and the Company had outstanding forward contracts as summarised below.

Foreign currency	Bought amount (million)	Sold amount (million)	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
As at 31 December 2022					
USD	3.03	0.15	34.14 – 37.02 Baht against USD	34.12 Baht against USD	May 2023
As at 31 December 2021					
USD	1.92	-	32.72 - 33.70 Baht against USD	-	April 2022

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.

As at 31 December 2022**Financial assets**
 Cash and cash equivalents
 Short-term investment

Consolidated financial statements									
Fixed interest rates			Floating interest rates			Non- interest bearing	Total	Interest rate (% p.a.)	
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		
-	-	-	159,832	-	-	5,553	165,385	0.05 - 0.33	
50,000	-	-	-	-	-	-	50,000	0.75	
50,000	-	-	159,832	-	-	5,553	215,385		
48,620	-	-	-	-	-	-	48,620	10.18	
4,611	3,731	-	-	-	-	-	8,342	1.99 - 4.50	
53,231	3,731	-	-	-	-	-	56,962		

As at 31 December 2021**Financial assets**
 Cash and cash equivalents
 Short-term investments

100,000	-	-	226,097	-	-	20,281	346,378	0.05 - 0.30
200,000	-	-	-	-	-	-	200,000	0.32
300,000	-	-	226,097	-	-	20,281	546,378	
-	-	-	5,875	193,875	-	-	199,750	8.60
4,851	8,730	-	-	-	-	-	13,581	1.99 - 4.50
4,851	8,730	-	5,875	193,875	-	-	213,331	

Separate financial statements**As at 31 December 2022****Financial assets**
 Cash and cash equivalents
 Short-term investment

Separate financial statements								
Fixed interest rates			Floating interest rates			Non- interest bearing	Total	Interest rate (% p.a.)
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	
-	-	-	159,832	-	-	2,358	162,190	0.05 - 0.33
50,000	-	-	-	-	-	-	50,000	0.75
50,000	-	-	159,832	-	-	2,358	212,190	
2,898	1,719	-	-	-	-	-	4,617	1.99 - 4.50
2,898	1,719	-	-	-	-	-	4,617	

As at 31 December 2021**Financial assets**
 Cash and cash equivalents
 Short-term investments

100,000	-	-	226,097	-	-	6,237	332,334	0.05 - 0.30
200,000	-	-	-	-	-	-	200,000	0.32
300,000	-	-	226,097	-	-	6,237	532,334	
2,774	3,604	-	-	-	-	-	6,378	1.99 - 4.50
2,774	3,604	-	-	-	-	-	6,378	

5.1.2 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 independently rated parties.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings 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 loss allowance for trade receivables to were determined as follows:

Consolidated financial statements						
	Not yet due Thousand Baht	Less than 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	Total (Note 11) Thousand Baht
As at 31 December 2022						
Gross carrying amount	395,900	252,977	86,928	43,698	111,457	890,960
Loss allowance	(1,685)	(7,403)	(9,248)	(17,774)	(83,815)	(119,925)
As at 31 December 2021						
Gross carrying amount	327,365	201,219	82,740	39,534	95,612	746,470
Loss allowance	(1,527)	(5,455)	(10,610)	(16,538)	(81,434)	(115,564)
Separate financial statements						
	Not yet due Thousand Baht	Less than 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	Total (Note 11) Thousand Baht
As at 31 December 2022						
Gross carrying amount	344,264	212,378	69,969	40,038	95,402	762,051
Loss allowance	(1,684)	(6,783)	(8,472)	(16,804)	(79,964)	(113,707)
As at 31 December 2021						
Gross carrying amount	312,431	160,207	75,159	38,758	95,612	682,167
Loss allowance	(1,527)	(4,874)	(10,023)	(16,267)	(81,434)	(114,125)

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	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	(115,564)	(105,343)	(114,125)	(105,343)
Loss allowance recognised in profit or loss	(30,949)	(13,094)	(24,538)	(11,635)
Receivables written off as uncollectible	25,848	2,853	24,956	2,853
Exchange differences on translation	740	20	-	-
As at 31 December	(119,925)	(115,564)	(113,707)	(114,125)

5.1.3 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 20. 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 5.1.1 (b). All derivatives of the Group as at 31 December 2022 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				Carrying amount liabilities Thousand Baht
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	
Maturity of financial liabilities					
As at 31 December 2022					
Non-derivatives financial liabilities					
Short-term loans from financial institution	48,620	-	-	48,620	48,620
Trade and other payables	539,967	-	-	539,967	539,967
Lease liabilities	4,817	3,854	-	8,671	8,342
Other non-current liabilities	-	-	1,043	1,043	1,043
Total non-derivatives financial liabilities	593,404	3,854	1,043	598,301	597,972
As at 31 December 2021					
Non-derivatives financial liabilities					
Trade and other payables	563,835	-	-	563,835	563,835
Lease liabilities	5,751	8,458	-	14,209	13,581
Long-term loans from financial institution	22,606	225,338	-	247,944	199,750
Total non-derivatives financial liabilities	592,192	233,796	-	825,988	777,166

	Separate financial statements				Carrying amount liabilities Thousand Baht
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	
Maturity of financial liabilities					
As at 31 December 2022					
Non-derivatives financial liabilities					
Trade and other payables	465,739	-	-	465,739	465,739
Lease liabilities	2,999	1,781	-	4,780	4,617
Other non-current liabilities	-	-	1,043	1,043	1,043
Total non-derivatives financial liabilities	468,738	1,781	1,043	471,562	471,399
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

5.2 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.

6 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	
	2022 Thousand Baht	2021 Thousand Baht
Assets		
Derivatives assets - Foreign currency forward contracts (Included in other current assets)	-	543
Liabilities		
Derivatives liabilities - Foreign currency forward contracts (Included in other current liabilities)	(3,104)	(80)

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.

Financial assets and financial liabilities are approximately to the carrying amounts as follows:

- Cash and cash equivalents
- Trade and other receivables
- Short-term loans from financial institution
- Trade and other payables
- Lease liabilities
- Other non-current liabilities

7 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 21.

8 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 uses to measure gross profit in the financial statements.

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 2022					
Sales	2,618,421	1,742,712	449,899	77,269	4,888,301
Results					
Segment gross profit (loss)	301,115	101,229	30,523	(26,531)	406,336
Selling and administrative expenses (including impairment losses on trade and other receivables)					(378,618)
Other income (expenses), net					77,857
Operating profit					105,575
Finance costs					(26,272)
Profit before income tax					79,303
Income tax					8,972
Profit for the period					88,275
Timing of revenue recognition					
At a point in time	2,618,421	1,742,712	449,899	77,269	4,888,301
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					<u>209,671</u>
Timing of revenue recognition					
At a point in time	2,395,616	1,795,516	446,037	135,935	4,773,104

Timing of revenue recognition of separate financial statement are as follows:

	Separate financial statement				
	Shrimp feed products	Shrimp feed products	Shrimp feed products	Shrimp feed products	Shrimp feed products
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
For the year ended 31 December 2022					
Timing of revenue recognition					
At a point in time	2,522,231	1,619,845	438,551	77,269	4,657,896
For the year ended 31 December 2021					
Timing of revenue recognition					
At a point in time	2,395,656	1,638,296	446,037	135,935	4,615,924

Geographic information

The Group classifies based on the location of customers, which is consistent with nature of revenue, as follows:

	Consolidated financial statements	
	2022	2021
	Thousand Baht	Thousand Baht
Thailand	4,442,908	4,415,452
Sri Lankan	214,988	200,432
Pakistan	134,215	157,220
Indonesia	96,190	-
	<u>4,888,301</u>	<u>4,773,104</u>

Major customer

During the year ended 31 December 2022 and 2021, the Group had no customer with revenues of 10 percent or more of the Group's revenue.

9 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.

As at 31 December 2022

Financial assets

Cash and cash equivalents	-	165,385	-	162,190
Short-term investment	-	50,000	-	50,000
Trade and other receivables, net	-	780,271	-	656,912
Other non-current assets	-	3,454	-	259

Consolidated financial statements		Separate financial statements	
FVPL Thousand Baht	Amortised cost Thousand Baht	FVPL Thousand Baht	Amortised cost Thousand Baht
-	165,385	-	162,190
-	50,000	-	50,000
-	780,271	-	656,912
-	3,454	-	259
-	999,110	-	869,361
-	48,620	-	-
-	539,967	-	465,739
-	8,342	-	4,617
3,104	-	3,104	-
3,104	596,929	3,104	470,356

Financial liabilities

Short-term loans from financial institution	-	48,620	-	-
Trade and other payables	-	539,967	-	465,739
Lease liabilities	-	8,342	-	4,617
Other current liabilities - Foreign currency forward contracts	3,104	-	3,104	-

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 non-current assets	-	2,595	-	251
Other current assets - Foreign currency forward contracts	543	-	543	-

Consolidated financial statements		Separate financial statements	
FVPL Thousand Baht	Amortised cost Thousand Baht	FVPL Thousand Baht	Amortised cost Thousand Baht
-	346,378	-	332,334
-	200,000	-	200,000
-	640,534	-	577,706
-	2,595	-	251
543	-	543	-
543	1,189,507	543	1,110,291
-	563,835	-	514,919
-	13,581	-	6,378
-	199,750	-	-
80	-	80	-
80	777,166	80	521,297

Financial liabilities

Trade and other payables	-	563,835	-	514,919
Lease liabilities	-	13,581	-	6,378
Long-term loans from financial institutions	-	199,750	-	-
Other current liabilities - Foreign currency forward contracts	80	-	80	-

10 Cash and cash equivalents

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cash on hand	565	782	421	581
Current and savings accounts	164,820	245,596	161,769	231,753
Fixed deposit	-	100,000	-	100,000
Total cash and cash equivalents	165,385	346,378	162,190	332,334

As at 31 December 2022, the Group had fixed deposits of Baht 50 million bearing interest at 0.75% per annum, it will be due to February 2023, which the Group classifies as short-term investment in the statement of financial position as at 31 December 2022. (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).

11 Trade and other receivables, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Trade receivables - third parties	827,113	719,765	736,677	655,462
Trade receivables - related parties (Note 30.2)	63,847	26,705	25,374	26,705
	890,960	746,470	762,051	682,167
Loss allowance for trade receivables - third parties	(118,650)	(115,060)	(113,470)	(113,621)
Loss allowance for trade receivables - related parties	(1,275)	(504)	(237)	(504)
Loss allowance for trade receivables (Note 5.1.2 b)	(119,925)	(115,564)	(113,707)	(114,125)
Trade receivables, net	771,035	630,906	648,344	568,042
Other receivables - third parties	670	294	2	251
Accrued income - a related party (Note 30.2)	8,566	9,334	8,566	9,413
Prepaid expenses - third parties	5,572	2,562	5,353	2,313
Prepaid expenses - a related party (Note 30.2)	4,394	4,209	4,394	4,209
Tax coupons	347	354	347	354
Advance payments	4,605	10,189	2,771	2,810
Total trade and other receivables, net	795,189	657,848	669,777	587,392

12 Inventories, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Finished goods	165,448	151,482	160,045	151,424
Raw materials	344,701	300,638	306,983	285,309
Ingredients and packaging	18,439	15,334	16,054	15,193
Goods in transits	21,351	9,272	21,351	9,272
Work in process	-	66	-	-
Spare parts and supplies	52,769	40,906	49,078	39,668
	602,708	517,698	553,511	500,866
Less Allowance for net realisable value	(38,298)	(30,616)	(38,289)	(30,390)
Total inventories, net	564,410	487,082	515,222	470,576

13 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 2022	31 December 2021	31 December 2022 %	31 December 2021 %	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
PT Thai Union Kharisma Lestari (TUKL)	Manufacture and distribution of aqua animal feeds	Indonesia	309,360 million Rupiah	199,920 million Rupiah	65	65	480,161	302,149
AMG-Thai Union Feedmill (Private) Limited (AMG-TFM)	Manufacture and distribution of aqua animal feeds	Pakistan	500 million Pakistan Rupee	300 million Pakistan Rupee	51	51	48,520	30,971
							528,681	333,120

The movement of an investment in subsidiaries during the year are as follows:

For the year ended 31 December	Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Opening book value	333,120	302,149
Additions	195,561	30,971
Closing book value	528,681	333,120

On 4 April 2022, At the Extraordinary Shareholders' Meeting of AMG-TFM, the shareholders passed a resolution called for additional payment for the 400,000 unpaid registered ordinary shares with the par value of Pakistani Rupee 100 each. The Company paid-up its shareholding portion totalling Pakistani Rupee 20.40 million, equivalent to Baht 3.72 million in April 2022.

On 25 August 2022, At the Extraordinary Shareholders' Meeting of AMG-TFM, the shareholders passed a resolution increasing the authorised share capital from Pakistani Rupee 340 million to Pakistani Rupee 500 million by issuing 1,600,000 new ordinary shares with a par value of Pakistani Rupee 100 each. The Company paid-up its shareholding portion totalling Pakistani Rupee 81.60 million, equivalent to Baht 13.83 in August 2022.

On 27 October 2022, At the Extraordinary Shareholders' Meeting of TUKL, the shareholders passed a resolution increasing the authorised share capital from Rupiah 199,920 million to Rupiah 309,360 million by issuing 10,944,000 new ordinary shares with a par value of Rupiah 10,000 per share. The Company paid-up its shareholding portion totalling Rupiah 71,136 million, equivalent to Baht 178.01 million in October 2022.

As at 31 December 2022, the Group's subsidiaries considered that there is no subsidiaries that is material to the Group.

14 Property, plant and equipment, net

	Consolidated financial statement					
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht
As at 1 January 2021						
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
For the year ended 31 December 2021						
Opening net book amount	313,405	306,299	547,791	11,205	3,652	100,208
Additions	77	340	47,249	3,826	328	328,953
Disposals, net	-	-	(3,089)	(7)	(25)	-
Write-off, net	-	-	-	(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)	-
Reversal of impairment loss	-	-	2,340	-	-	-
Reclassification	-	-	963	-	-	23,400
Exchange differences on translation	20,035	-	(1,975)	36	(2)	24,937
Closing net book amount	331,480	285,958	503,525	12,286	2,769	451,458
As at 31 December 2021						
Cost	365,440	648,841	1,513,509	51,955	20,969	451,458
Less Accumulated depreciation	(33,960)	(362,883)	(985,816)	(39,669)	(18,200)	-
Allowance for impairment	-	-	(24,168)	-	-	-
Net book amount	331,480	285,958	503,525	12,286	2,769	451,458
						1,587,476
						1,587,476

	Consolidated financial statement							
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht	Total Thousand Baht	
As at 1 January 2022								
Cost	365,440	648,841	1,513,509	51,955	20,969	451,458	3,052,172	
Less 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	
For the year ended 31 December 2022								
Opening net book amount	331,480	285,958	503,525	12,286	2,769	451,458	1,587,476	
Additions	85	162	18,192	2,324	499	167,448	188,710	
Disposals, net	-	-	(1,518)	(22)	(132)	-	(1,672)	
Transfer in (out)	33,016	250,916	174,887	1,020	-	(459,839)	-	
Depreciation charge	(7,825)	(41,091)	(122,342)	(5,459)	(1,056)	-	(177,773)	
Reclassification	-	-	312	-	-	667	979	
Exchange differences on translation	(13,745)	(8,860)	(9,833)	(156)	(39)	(8,481)	(41,114)	
Closing net book amount	343,011	487,085	563,223	9,993	2,041	151,253	1,556,606	
As at 31 December 2022								
Cost	384,797	890,276	1,628,570	52,546	17,441	151,253	3,124,883	
Less Accumulated depreciation	(41,786)	(403,191)	(1,048,849)	(42,553)	(15,400)	-	(1,551,779)	
Allowance for impairment	-	-	(16,498)	-	-	-	(16,498)	
Net book amount	343,011	487,085	563,223	9,993	2,041	151,253	1,556,606	

		Separate financial statement						
		Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht	Total 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

		Separate financial statement					
Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht	Total Thousand Baht	
141,227 (33,960)	648,841 (362,883)	1,481,346 (984,211)	49,546 (39,428)	20,930 (18,195)	64,431	2,406,321 (1,438,677)	
-	-	(24,168)	-	-	-	(24,168)	
107,267	285,958	472,967	10,118	2,735	64,431	943,476	
107,267	285,958	472,967	10,118	2,735	64,431	943,476	
85	-	6,418	1,503	-	140,998	149,004	
-	-	(1,518)	(22)	(132)	-	(1,672)	
23,103 (7,825)	5,123 (27,478)	25,590 (98,614)	1,020 (4,698)	- (1,033)	(54,845)	- (139,648)	
-	-	312	-	-	667	979	
122,630	263,612	405,155	7,921	1,570	151,251	952,139	
164,416 (41,786)	653,972 (390,360)	1,447,082 (1,025,429)	49,543 (41,622)	16,943 (15,373)	151,251	2,483,207 (1,514,570)	
-	-	(16,498)	-	-	-	(16,498)	
122,630	263,612	405,155	7,921	1,570	151,251	952,139	

Depreciation recognised in profit and loss are as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cost of sales	168,811	134,733	131,420	133,062
Selling expenses	681	109	665	109
Administrative expenses	8,281	7,498	7,563	7,332
Total depreciation expenses	177,773	142,340	139,648	140,503

As at 31 December 2022, the Group have no obligation regarding the property, plant and equipment pledge and mortgage. (2021: Rupiah 100,000 million, equivalent to Baht 235 million).

15 Right-of-use assets, net and Lease liabilities, net

The statement of financial position included following transactions relating to leases.

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Right-of-use assets - carrying amount				
Land and land improvements	2,962	4,127	2,962	4,127
Buildings and building improvements	2,606	7,018	-	1,150
Furniture, fixtures and office equipment	651	789	651	789
Vehicles	2,978	2,962	1,694	1,400
Total right-of-use assets	9,197	14,896	5,307	7,466
Lease liabilities				
Current	4,611	4,851	2,898	2,774
Non-current	3,731	8,730	1,719	3,604
Total lease liabilities	8,342	13,581	4,617	6,378

Transactions recognised in the financial statements relating to leases are as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Depreciation charge of right-of-use assets				
Land and land improvements	(2,602)	(2,434)	(2,602)	(2,434)
Buildings and building improvements	(2,807)	(2,000)	(668)	(553)
Furniture, fixtures and office equipment	(337)	(386)	(337)	(386)
Vehicles	(653)	(353)	(455)	(343)
Total depreciation charge of right-of-use assets	(6,399)	(5,173)	(4,062)	(3,716)
Additions to the right-of-use assets during the year	2,794	13,151	2,384	3,772
Total cash outflows for leases	5,986	6,620	3,747	4,816
Finance cost relating to right-of-use assets	518	450	234	304
Expenses relating to short-term leases (included in cost of sales and administrative expenses)	142	1,445	102	134
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)	82	46	82	46
Gains arising from termination of lease agreement	(210)	-	(210)	-

16 Intangible assets, net

	Consolidated financial statements		
	Trademarks Thousand Baht	Computer software Thousand Baht	Total Thousand Baht
As at 1 January 2021			
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
For the year ended 31 December 2022			
Opening net book amount	-	3,435	3,435
Additions	-	493	493
Disposals, net	-	(2)	(2)
Amortisation charge	-	(2,555)	(2,555)
Exchange differences on translation	-	(12)	(12)
Closing net book amount	-	1,359	1,359
As at 31 December 2022			
Cost	20,000	17,435	37,435
<u>Less</u> Accumulated amortisation	(20,000)	(16,076)	(36,076)
Net book amount	-	1,359	1,359

	Separate financial statements		
	Trademarks Thousand Baht	Computer software Thousand Baht	Total Thousand Baht
As at 1 January 2021			
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
For the year ended 31 December 2022			
Opening net book amount	-	3,319	3,319
Additions	-	412	412
Disposals, net	-	(2)	(2)
Amortisation charge	-	(2,490)	(2,490)
Closing net book amount	-	1,239	1,239
As at 31 December 2022			
Cost	20,000	17,243	37,243
<u>Less</u> Accumulated amortisation	(20,000)	(16,004)	(36,004)
Net book amount	-	1,239	1,239

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cost of goods sold	122	-	122	-
Selling expenses	7	-	7	-
Administrative expenses	2,426	3,131	2,361	3,118
Total amortisation expenses	2,555	3,131	2,490	3,118

As at 31 December 2022 and 2021, the Group had no intangible assets pledged for credit facilities.

17 Deferred income taxes

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 31 December				
Deferred tax assets	42,872	19,346	18,437	16,842
Deferred tax liabilities	(8,953)	(8,444)	(6,062)	(4,702)
Deferred tax assets, net	33,919	10,902	12,375	12,140

The gross movement of deferred income taxes is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	10,902	17,565	12,140	17,565
Credited/(Charged) to profit or loss	27,218	(6,885)	2,663	(5,624)
Credited/(Charged) to other comprehensive income	(2,428)	199	(2,428)	199
Exchange differences on translation	(1,773)	23	-	-
As at 31 December	33,919	10,902	12,375	12,140

The reconciliation of deferred tax assets and liabilities in the statements of financial position is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 31 December				
Deferred tax assets, net	33,919	12,144	12,375	12,140
Deferred tax liabilities, net	-	(1,242)	-	-
Deferred tax assets, net	33,919	10,902	12,375	12,140

Transactions recognised in the financial statements relating to leases are as follows:

	Consolidated financial statements									
	Credited/(charged) to					Credited/(charged) to				
	As at 1 January 2021 Thousand Baht	Profit and loss Thousand Baht	comprehensive income Thousand Baht	Translation adjustment Thousand Baht	31 December 2021 Thousand Baht	As at 2021 Thousand Baht	Profit and loss Thousand Baht	comprehensive income Thousand Baht	Translation adjustment Thousand Baht	31 December 2022 Thousand Baht
Deferred tax assets										
Loss allowance for trade receivables	9,961	916	-	(8)	10,869	4,879	-	(185)	15,563	
Allowance for net realisable value of inventories	2,002	(1,268)	-	(2)	732	1,943	-	-	2,675	
Allowance for impairment of machinery and equipment	1,188	(566)	-	-	622	(575)	-	-	47	
Lease liabilities	-	3,011	-	(32)	2,979	(977)	-	(99)	1,903	
Employee benefit obligations	9,215	(5,559)	199	-	3,855	(903)	(2,428)	11	535	
Tax loss carried forward	-	-	-	-	-	23,407	-	(1,790)	21,617	
Others	-	294	-	(5)	289	310	-	(67)	532	
Total	22,366	(3,172)	199	(47)	19,346	28,084	(2,428)	(2,130)	42,872	
Deferred tax liabilities										
Depreciation of property, plant and equipment	(4,801)	(573)	-	40	(5,334)	(1,794)	-	239	(6,889)	
Right-of-use assets	-	(3,140)	-	30	(3,110)	928	-	118	(2,064)	
Total	(4,801)	(3,713)	-	70	(8,444)	(866)	-	357	(8,953)	
Deferred tax assets (liabilities), net	17,565	(6,885)	199	23	10,902	27,218	(2,428)	(1,773)	33,919	

Separate financial statements									
	Credited/(charged) to			Credited/(charged) to			As at		
	As at 1 January Thousand Baht	Profit and loss Thousand Baht	comprehensive income Thousand Baht	Other income Thousand Baht	31 December Thousand Baht	Profit and loss Thousand Baht	comprehensive income Thousand Baht	Other income Thousand Baht	As at 31 December 2022 Thousand Baht
Deferred tax assets									
Loss allowance for trade receivables	9,961	491	-	-	10,452	3,648	-	-	14,100
Allowance for net realisable value of inventories	2,002	(1,364)	-	-	638	2,034	-	-	2,672
Allowance for impairment of machinery and equipment	1,188	(566)	-	-	622	(575)	-	-	47
Lease liabilities	-	1,275	-	-	1,275	(351)	-	-	924
Employee benefit obligations	9,215	(5,559)	199	199	3,855	(733)	(2,428)	-	694
Total	22,366	(5,723)	199	199	16,842	4,023	(2,428)		18,437
Deferred tax liabilities									
Depreciation of property, plant and equipment	(4,801)	1,592	-	-	(3,209)	(1,792)	-	-	(5,001)
Right-of-use assets	-	(1,493)	-	-	(1,493)	432	-	-	(1,061)
Total	(4,801)	99	-	-	(4,702)	(1,360)	-	-	(6,062)
Deferred tax assets (liabilities), net	17,565	(5,624)	199	199	12,140	2,663	(2,428)		12,375

18 Short-term loans from a financial institution

As at 31 December 2022, Short-term loans from financial institution owner belong to subsidiary in Indonesia, amounting to Rupiah 22,000 million, equivalent to Baht 48.62 million which has an interest rate of 10.18% per annum and maturity by one year. The loans are for capital expenditures in equipment and working capital. The Loan are issued on behalf of the Company to pledge and mortgage.

19 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade payable-third parties	386,856	383,538	331,239	354,486
Trade payable-related parties (Note 30.2)	37,514	36,850	37,514	36,850
Other payable-related parties (Note 30.2)	105	3,748	95	3,748
Accrued expenses-third parties	94,734	128,394	86,078	108,531
Deposits and unearned revenue	6,646	13,128	6,646	13,128
Construction and equipment purchase payables	20,758	11,304	10,813	11,304
Total trade and other payables	546,613	576,962	472,385	528,047

20 Long-term loan from a financial institution, net

As at 31 December 2022, the Group have no loan-term loan from a financial institution (2021: amount Rupiah 85,000 million, equivalents to Baht 199.75 million. average interest rate of 8.6% per annum)

During the year, the Group agreed with the financial institution in Indonesia to change the maturity date for long-term loans to be fully paid within 2022. The Group has fully paid by December 2022. The Group has incurred financial cost in addition to the above agreement in the amount of Baht 4.68 million, which was included in finance costs in the statement of income.

The movements of long-term loan from a financial institution during the year are:

For the year ended 31 December 2022	Consolidated Financial statement Thousand Baht
Opening balance	199,750
Addition	34,500
Repayment	(220,000)
Exchange differences on translation	(14,250)
Closing balance	-

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	
	2022	2021
Baht	1,600 million	1,600 million
USD	2 million	-
Rupiah	12,500 million	15,000 million

21 Employee benefit obligations

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Liability in the statement of financial position				
Employee benefit obligations	133,050	146,549	132,650	146,440
Profit or loss charge included in the statement of comprehensive income				
Employee benefit obligations	16,288	16,960	15,944	16,850
Remeasurement for employee benefit obligations	(12,143)	7,553	(12,143)	7,553

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	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	146,549	125,134	146,440	125,134
Current service cost	14,238	11,807	13,894	11,697
Past service cost	-	3,073	-	3,073
Interest expense	2,050	2,080	2,050	2,080
	162,837	142,094	162,384	141,984
Remeasurements:				
Gain from change in financial assumptions	(15,733)	(4,663)	(15,733)	(4,663)
Experience Loss	3,590	12,216	3,590	12,216
	(12,143)	7,553	(12,143)	7,553
Transfer staff from related parties	(1,012)	388	(1,012)	388
Exchange differences on translation	(53)	(1)	-	-
Benefit payments	(16,579)	(3,485)	(16,579)	(3,485)
As at 31 December	133,050	146,549	132,650	146,440

The Group and the Company expect to pay Baht 22.81 million of employee benefit during the next year (2021: Baht 11.22 million).

As at 31 December 2022, the weighted average durations of the liabilities for retirement benefits for the Group and the Company are 11.8 years (2021: 10.7 years).

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate (%)	1.10 - 5.91	0.49 - 3.55	1.10 - 5.91	0.49 - 3.55
Salary growth rate (%)	2.00 - 5.00	2.00 - 5.00	2.00 - 5.00	2.00 - 5.00
Turnover rate (%)	2.00 - 30.00	2.00 - 30.00	2.00 - 30.00	2.00 - 30.00

Consolidated financial statements				
Impact on defined benefit obligation				
	Increase		Decrease	
	2022	2021	2022	2021
% Change	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	1	(10,646)	(12,408)	12,203
Salary growth rate	1	11,854	13,749	(10,560)
Turnover rate	20	(8,714)	(10,172)	9,743
				11,477

	Separate financial statements			
	Impact on defined benefit obligation			
	Increase		Decrease	
	2022	2021	2022	2021
% Change	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	1	(10,646)	(12,408)	12,203
Salary growth rate	1	11,854	13,749	(10,560)
Turnover rate	20	(8,714)	(10,172)	9,743

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.

22 Share capital

	Consolidated and Separate financial statements				
	Authorised Share capital		Issued and paid-up Share capital		Share premium
	Number of shares	Ordinary shares	Number of shares	Ordinary shares	Amount
	Thousand Shares	Thousand Baht	Thousand Shares	Thousand Baht	Thousand Baht
As at 1 January 2021	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
Proceeds from shares issued	-	-	-	-	-
As at 31 December 2022	500,000	1,000,000	500,000	1,000,000	1,006,859

The total number of authorised ordinary shares is 500,000,000 shares (2021: 500,000,000 shares) with a par value of Baht 2 per share (2021: Baht 2 per share). There are 500,000,000 shares (2021: 500,000,000 shares) which are fully paid.

The Public Companies Act, B.E. 2535 requires companies to set aside share subscription monies received in excess of the issued shares' par value to a share premium. The share premium is not available for dividend distribution.

23 Dividends

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.

On 1 April 2022, the Annual General Meeting of the Company approved the resolution to pay a dividend of Baht 485 million from its net profit from operations for the year 2021. However, by the resolution of the Company's Board of Directors, the Company paid out the interim dividend totaling Baht 410 million to the Company's shareholders on 3 September 2021. The remaining dividend of Baht 0.15 per share totaling Baht 75 million. The Company has already paid during April 2022.

On 2 August 2022, the Board of Directors passed a resolution to approve an interim dividend payment of Baht 0.05 per share or totaling Baht 25 million to the Company's shareholders. The Company has already paid during August 2022.

24 Legal reserve

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	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.

25 Other income

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
For the years ended 31 December				
Royalty fees	44,243	47,106	44,243	47,106
Other income	26,910	13,749	27,159	13,312
Total other income	71,153	60,855	71,402	60,418

26 Expense by nature

For the years ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Changes in finished goods and work in process	(13,904)	14,995	(8,620)	15,118
Raw materials and consumables used and purchase of finished goods	3,628,161	3,668,403	3,458,220	3,546,359
Allowance for diminution in value of inventories	7,786	(310)	7,999	(639)
Employee expenses	451,647	320,311	425,207	311,310
Depreciation on property, plant and equipment (Note 14)	177,773	142,340	139,648	140,503
Depreciation on right-of-use assets (Note 15)	6,399	5,173	4,062	3,716
Amortisation on intangible assets (Note 16)	2,555	3,131	2,490	3,118
Research and development expenses	11,734	8,349	11,734	8,349

27 Income tax expense

For the years ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current tax:				
Current tax on profit for the year	19,087	6,409	18,588	3,896
Adjustments in respect of prior year	(841)	(13,129)	(841)	(13,129)
Total current tax	18,246	(6,720)	17,747	(9,233)
Deferred income tax:				
Increase (Decrease) in deferred tax assets (Note 17)	(28,084)	3,172	(4,023)	5,723
Increase (Decrease) in deferred tax liabilities (Note 17)	866	3,713	1,360	(99)
Total deferred income tax	(27,218)	6,885	(2,663)	5,624
Total income tax expenses	(8,972)	165	15,084	(3,609)

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		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit before tax	79,303	209,836	164,794	214,795
Tax calculated at tax rates of 20%-29% (2021: 20%-29%)	13,718	41,967	32,959	42,959
Tax effect of:				
Profit not subject to tax	(15,219)	(38,549)	(15,219)	(38,549)
Income not subject to tax	-	(1)	-	(1)
Expenses not deductible for tax purpose	1,775	624	849	624
Additional expenses deductible for tax purpose	-	(46)	-	(46)
Difference in overseas tax rate	400	892	-	-
Recognition of deferred tax assets from previously unrecognised tax losses and temporary differences	(8,805)	4,528	(2,664)	4,533
Tax losses for which no deferred tax assets was recognised	-	3,879	-	-
Adjustments in respect of prior year	(841)	(13,129)	(841)	(13,129)
Tax charge	(8,972)	165	15,084	(3,609)
Average effective tax rate (%)	(11.31)	0.08	9.15	(1.68)

Change in an average income tax rate of the Group was a result of a recognition of deferred tax assets regarding net operating loss of a foreign subsidiary. Change in an average income tax rate of the Company was due to a reversal of accrued income tax in 2020, resulting from the additional corporate income tax exemption by the Board of Investment of Thailand (BOI) committee.

The tax charge relating to components of other comprehensive income is as follows:

For the years ended	Consolidated and Separate financial statements					
	31 December 2022			31 December 2021		
	Before tax	Tax charge	After tax	Before tax	Tax charge	After tax
	Thousand Bah	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gain (loss) on remeasurements of post-employment benefit obligations	12,143	(2,428)	9,715	(7,553)	199	(7,354)
Other comprehensive income (expenses)	12,143	(2,428)	9,715	(7,553)	199	(7,354)

28 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
For the years ended 31 December				
Net profit attributable to the owners of the parent (Thousand Baht)	109,535	211,498	149,710	218,404
Weighted average number of ordinary shares outstanding (Thousand shares)	500,000	425,397	500,000	425,397
Basic earnings per share (Baht per share)	0.22	0.50	0.30	0.51

There are no dilutive potential ordinary shares in issue during the year presented, so no diluted earnings per share is presented.

29 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 2021	359,481	28	7,255	-	359,481	28	7,255
Cashflows	(359,481)	(6,028)	(6,620)	191,000	(359,481)	(4,417)	(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
Cashflows	51,999	(27,562)	(5,986)	(185,500)	-	-	(3,747)
Non-cash changes:							
Finance cost	-	25,695	577	-	-	-	293
Additions	-	-	2,794	-	-	-	2,384
Termination of lease agreement	-	-	(1,381)	-	-	-	(691)
Exchange differences on translation	(3,379)	-	(1,243)	(14,250)	-	-	-
As at 31 December 2022	48,620	446	8,342	-	-	-	4,617

30 Related party transactions

The Company's parent company is Thai Union Group Public Company Limited, which is located in Thailand. The parent company holds 51% of total registered shares of the Company. The remaining 49% of the shares are widely held. The ultimate parent company of the Group is Thai Union Group Public Company Limited.

The following significant transactions and balances were carried out with related parties:

30.1) Transactions with related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
For the years ended 31 December	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Revenue from sales				
Parent company	8,235	48,150	8,235	48,150
Subsidiaries	-	-	-	672
Companies under common control	50,087	80,790	50,087	80,790
Director's related persons and companies	170,215	76,249	136,173	76,249
	228,537	205,189	194,495	205,861
Other income				
Parent company	391	258	391	258
Subsidiaries	-	-	364	163
Companies under common control	44,923	48,682	44,923	48,682
	45,314	48,940	45,678	49,103
Gain on disposal of assets				
Parent company	-	14	-	14
Purchases of goods and services				
Parent company	43,433	44,667	43,433	44,667
Companies under common control	272,098	257,960	272,098	257,960
Director's related persons and companies	-	1,166	-	1,166
	315,531	303,793	315,531	303,793

30.2) Outstanding balances arising from sales and purchases of goods, fixed assets and services

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade receivables				
Parent company	29	58	29	58
Subsidiary	-	-	38	-
Companies under common control	2,948	12,888	2,948	12,888
Director's related persons and companies	59,595	13,255	22,122	13,255
	62,572	26,201	25,137	26,201
Accrued income				
Subsidiary	-	-	-	79
Companies under common control	8,566	9,334	8,566	9,334
	8,566	9,334	8,566	9,413
Prepaid expenses				
Companies under common control	4,394	4,209	4,394	4,209
Advance payment				
Companies under common control	-	3,413	-	-
Other non-current assets-Employee benefit obligations transfer staff				
Parent company	419	388	419	388
Trade payables				
Parent company	4,629	8,644	4,629	8,644
Companies under common control	32,885	28,206	32,885	28,206
	37,514	36,850	37,514	36,850
Other payables				
Parent company	12	-	2	-
Companies under common control	93	3,748	93	3,748
	105	3,748	95	3,748
Other non current liabilities-				
Employee benefit obligations transfer staff				
Parent company	529	-	529	-
Companies under common control	514	-	514	-
	1,043	-	1,043	-

30.3) Outstanding balances arising from lease liabilities

As at 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Lease liabilities-related parties				
Parent company	958	-	958	-
Companies under common control	1,489	2,990	1,489	2,990
	2,447	2,990	2,447	2,990

30.4) 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		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term employee benefits	24,241	31,705	24,241	27,874
Post-employment benefits	1,801	1,960	1,801	1,960
	26,042	33,665	26,042	29,834

31 Commitments

31.1 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		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	Baht 10.59 million	Baht 1 million	Baht 10.59 million	Baht 1 million
Land, Building and machine				
purchase agreements		US Dollar 0.1 million	-	US Dollar 0.01 million
	-	Rupiah 13,817 million	-	-

31.2 Guarantees

- As at 31 December 2022, there were outstanding bank guarantees of Baht 11.89 million (2021: Baht 11.77 million) issued on behalf of the Company in the normal course of business.
- As at 31 December 2022, there was a corporate guarantee of US Dollar 7.7 million (2021: US Dollar 7.7 million) issued on behalf of the Company to secure credit facilities of its subsidiary.

32 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.

	Separate financial statements					
	BOI promoted		Non-BOI promoted		Total	
	activities		activities			
	2022	2021	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
For the years ended						
31 December						
Domestic sales	3,295,683	3,798,502	1,147,225	616,950	4,442,908	4,415,452
Export sales	102,145	200,472	112,843	-	214,988	200,472
Total sales	3,397,828	3,998,974	1,260,068	616,950	4,657,896	4,615,924

33 Events after the reporting period

On 17 February 2023, 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 2023, to pay a dividend of Baht 65 million from its net operating profit for the year 2022. However, by the resolution of the Company's Board of Directors held on 2 August 2022, the Company paid out the interim dividend from operating profit for the six-month period ended 30 June 2022 of Baht 0.05 per share for 500 million shares, totaling Baht 25 million to the Company's shareholders on August 2022. The remaining dividend of Baht 0.08 per share for 500 million shares, totaling Baht 40 million will be paid on 20 April 2023.

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 60 years)

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

Member of the Nomination and Remuneration Committee

Appointment date

29 June 2000

Education

- Bachelor Degree of Business Administration Management, Bangkok University

Training

- Related Training Program held by 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 12.30% and spouse 0.90%

Relationship between directors and management

-

Working Experience

- 2000 - Present
Chairman of the Board of Directors / Chairman of the Executive Committee / Member of the Nomination and Remuneration Committee
Thai Union Feedmill Public Company Limited / Manufacturer and distributor of aquatic and economic animal feeds

Other Listed Companies

- 2021 - Present
Director
R&B Food supply Public Company Limited / Manufacturer of the completed bakery flour
- 2012 - Present
Director / Chairman of the Executive Committee
- Pakfood Public Company Limited / Manufacturer & distributor of frozen foods & aquatic animals
- 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
- 2018 - Present
Chairman of the Board of Commissioners
PT Thai Union Kharisma Lestari / Manufacturer and distributor of and aquatic feed in Indonesia
- 2017 - Present
Director
RBC Assets Company Limited / Property trading
- 2016 - Present
Director
- Thai Union Online Shop Company Limited / E-Commerce
- Red Lobster Master Holdings LP. (USA) / Holding
- Tri-Union Frozen Products, Inc. (Canada) / Lobster Processing business
- 2012 - Present
Director / Chairman of the Executive Committee
- 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

Mr. Thiraphong Chansiri (Age 57 years)
Director / Member of the Executive Committee

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

Training

- Related Training Program held by IOD
- Director Certification Program (DCP) Class 10/2001
- The National Defense Course of the Nation Defense College, Class 62, National Defense Studies Institute Journal

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 aquatic and economic animal feed

Other Listed Companies

- **2021 - Present**
Director / Corporate Governance Committee
SCG Packaging Public Company Limited / Holding Company
- **2013 - Present**
Director / Nomination and Remuneration Committee
Minor International Public Company Limited / Investment, food and hotel
- **2012 - Present**
Director
Pakfood Public Company Limited (Including 3 companies in this group) / Manufacturer and distributor of food and frozen seafood
- **1999 - Present**
Deputy Chairman of the Board of Directors
I-tail Corporation Public Company Limited / Manufacturer and distributor of canned food

- **1990 - Present**

Deputy Chairman of the Board of Directors / Executive Committee / Chairman of the Sustainable Development Committee / Risk Management Committee / Chief Executive Officer
Thai Union Group Public Company Limited / Process frozen seafood and canned food for domestic and international

Other Non-Listed Companies

- **2018 - Present**

Director
Beam Data Company Limited / Hardware consulting

- **2021 - Present**

Director
- 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

- **2020 - Present**

Director / Member of the Executive Committee
Food and Beverage United Company Limited / Manufacturer & distributor of food and beverage

- **2019 - Present**

Director / Member of the Executive Committee
Thoon Thanasiri (Chonburi) Company Limited / Credit granting

- **2019 - Present**

Director / Member of the Executive Committee
- Thoon Thanasiri (Samut Prakan) Company Limited / Credit granting
- Thai Union Eaglewood Development Company Limited / Planting
- Thai Union Ingredients Company Limited / Distributor of ingredients product

- **2018 - Present**

Director / Member of the Executive Committee
Thoon Thanasiri (Songkhla) Company Limited / Credit granting

● **2017 – Present**

Director / Member of the Executive Committee
Thoon Thanasiri Company Limited / Credit granting

● **2017 – Present**

Chairman of the Executive Committee
Thai Union Asia Investment Holding Limited / Holding

● **2017 – Present**

Director / Member of the Executive Committee
Thai Union Property Development Company Limited /
Real Estate

● **2016 – Present**

Director
– Red Lobster Master Holdings LP. (USA) / Holding
– Thai Union Investment North America Company Limited
(USA) / Holding

● **2016 – Present**

Member of the Executive Committee
Tai Wan Sheng Aquatic Trading (China) Company Limited /
Marketing and Sales of seafood products

● **2016 – Present**

Honorary Director
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

● **2010 – Present**

Chairman of the Executive Committee
Thai Union Investment Holding Company Limited
(Mauritius) / Holding

● **2010 – Present**

Director / Chairman of the Executive Committee
Thai Union Europe (France) / Manufacturer and distributor
of canned seafood

● **2010 – Present**

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

● **1996 – Present**

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
– Waithai 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. Bunluesak Sorajjakit (Age 61 years)

Director / Member of the Executive Committee /
Chief Executive Officer

Appointment date

1 August 2000

Education

- Bachelor Degree of Science, Production Technology,
King Mongkut's Institute of Technology Ladkrabang

Training

- Related Training Program held by IOD C6
- 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 aquatic and economic animal feed

Other Listed Companies

-

Other Non-Listed Companies

- **2021 - Present**
Director
PT Thai Union Kharisma Lestari / Manufacturer and
distributor of aquatic feed in Indonesia
- **2021 - Present**
Chairman of the Board of Directors
AMG-Thaiunion Feedmill Private Limited /
Manufacturer and distributor of aquatic feed in Pakistan

- **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

Mr.Cheng Niruttinanon (Age 80 years)

Director

(Authorized director)

Appointment date

29 June 2000

Education

- The second Middle School of Shantou, People's Republic of China

Training

- Related Training Program held by 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 aquatic and economic 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
- **2021 - Present**
Director / Chairman of the Executive Committee
i-Tail Public Company Limited / Manufacturer of canned seafood

Other Non-Listed Companies

- **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

- **2010 - Present**
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
- **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
- **1987 - Present**
Chairman of the Board of Directors
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. Chan Shue Chung (Age 47 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

Training

- Director Accreditation Program (DAP)
- TLCA Executive Development Program Class 1/2009
- Ethical Leadership Program (ELP) Class 6/2016
- Agriculture and Cooperatives Executive Program (ACE) Class 2/2022

Shareholding Ratio

Himself 0.05%

Relationship between directors and management

-

Working Experience

• 2000 - Present

Director

Thai Union Feedmill Public Company Limited / Manufacturer and distributor of aquatic and economic animal feeds

Other Listed Companies

• 2000 - Present

Director / Member of Risk Management Committee /

Member of Sustainability Development Committee

Thai Union Group Public Company Limited / Process frozen seafood and canned food for domestic and international

Other Non-Listed Companies

• 2022 - Present

Director

Thai Union Europe SAS (TUE) / Headquarters activity

• 2022 - Present

Director

Star Union Packaging Company Limited / Manufacturer of printing paper box and flexible packaging

• 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

• 2021 - Present

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

• 2018 - Present

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

Mr. Kanit Vallayapet (Age 67 years)

Director

Appointment date

11 February 2021

Education

- Bachelor Degree of Laws, Ramkhamhaeng University
- Master's Degree, Business Administration, Pathumthani University

Training

- Barrister-at-Law, Institute of Legal Education
Thai Bar Association
- Related Training Program held by IOD Director Certification Program (DCP) Class 273/2019
- Executive Program, Capital Market Academy (Course: CMA)
Class 25/2017

Shareholding Ratio

-

Relationship between directors and management

-

Working Experience

- 2021 - Present
Director
Thai Union Feedmill Public Company Limited / Manufacturer
and distributor of aquatic and economic animal feeds

Other Listed Companies

- 2022 - Present
Independent Director
Ubon Boi Ethanol Public Company Limited / Manufacturer
and distributor of the processed product from cassava
- 2021 - Present
Independent Director / Member of the Audit Committee /
Member of Risk Management Committee
Intouch Corporation Public Company Limited / Holding
- 2021 - 2022
Independent Director and Member of the Audit 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

Mrs. Rachadaporn Rajchataewindra (Age 64 years)

Chairman of the Audit Committee / Member of the Nomination and Remuneration 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

Training

- Director Certification Program (DCP)
- 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

Himself 0.05%

Relationship between directors and management

-

Working Experience**• 2018 - Present**

Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee / Independent Director

Thai Union Feedmill Public Company Limited / Manufacturer and distributor of aquatic and economic animal feeds

Other Listed Companies**• 2022 - Present**

Director

Dhipaya Group Holding Public Company Limited / Holding company

• 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

• 2015 - 2018

Executive Vice President, Corporate Finance & Accounting,
PTT Public Company limited / Manufacture of petroleum

Other Non-Listed Companies**• 2022 - Present**

Director

Government Saving Bank / Banking

• 2021 - 2022

Director

Thailand Privilege Card Company Limited / operator of the Thailand Elite membership card project

• 2020 - 2022

Chairman of the Audit Committee

The Zoological Park Organization of Thailand

• 2019 - Present

Chairman of the Audit Committee

Fish Marketing Organization

• 2019 - Present

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

Dr. Somchai Thaisanguanvorakul (Age 65 years)

Member of the Audit Committee / Chairman of the Nomination and Remuneration 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)
- Doctor's Degree, Public Administration, Ubon Ratchathani University
- Honorary Doctorate degree in Business Administration in Finance, Rajamangala University of Technology Isan
- Honorary Doctorate degree in Institute of field robotics, King Mongkut's University of Technology Thonburi
- Honorary Doctorate degree in Mechatronics Engineering, Suranaree University of Technology
- Honorary Doctorate of Engineering degree in Mechatronics Engineering, Rajamangala University of Technology Thanyaburi

Training

- Related Training Program held by 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 / Chairman of the Nomination and Remuneration Committee / Independent Director
Thai Union Feedmill Public Company Limited / Manufacturer and distributor of aquatic and economic 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
 - 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 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
 - 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

- **2014 - 2018**

Sub-Committee Derivatives Investor Protection Fund
Thailand Futures Exchange Public Company Limited (TFEX)

- **2014 - 2018**

Director
The Stock Exchange of Thailand

- **2014 - 2018**

Sub-Committee
Corporate Governance and Social Responsibility
The Stock Exchange of Thailand

- **2014 - 2018**

Luminaries
Market for Alternative Investment (MAI)

Mrs. Morragot Kulatumyotin (Age 56 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, U.S.A.

Training

- Related Training Program held by 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 (AAP) Class 42/2021

Shareholding Ratio

-

Relationship between directors and management

-

Working Experience

- **2003 - Present**

Director / Managing Director

Internet Thailand Public Company Limited / Internet access activities over wired networks

Other Non-Listed Companies● **2021 - Present**

Chairman of the Board of Directors
Manage AI Solution Company Limited / Manufacturer
of the medical equipment

● **2020 - Present**

Director
INET REIT Management Company Limited / Real Estate

● **2019 - Present**

Director
Blishtech Company Limited / Advertising media
sales representatives

● **2018 - Present**

Chairman of the Board of Directors
- Transform you Company Limited / Wired and Wireless
Internet Service Business
- Onespace Corporation Company Limited / Computer
Programming activities
- One Electronic Billing Company Limited / Computer
programming activities

● **2017 - Present**

Chairman of the Board of Directors
- Digital Healthcare Solutions Company Limited /
Dental practice activities
- IRecruit Company Limited / Apply job system

● **2017 - Present**

Director
Nexpie Company Limited / Software and computer

● **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

● **Present**

Chairman of the Board of Directors
Local Life Platform Company Limited /
Computer Communication Consulting Services Presentation
of information software, information system of management

Detail of Top Executives

in addition to Executive Directors

Name-Surname	Position	Age (Year)	% Share holding	Education	Work Experience Before Current Position
1. Mr. Suchat Yuddon	Senior Vice President / Vice President (Acting) Sales & Marketing	53	-	Bachelor Degree of Animal Science, Kasetsart University	2017-2018: Deputy Managing Director / CP Pakistan PVT, LTD. / Animal feed
2. Ms. Tipupsorn Kamlangngarm	Chief Financial Officer	45	-	Master Degree of Accounting, State University of New York at Albany	2019-Present: Director / Macquarie CPA Company Limited 2017-2018: Project Leader / Thai Union Group Public Company Limited
3. Mr. Preecha Bangnokkhwaek	Vice President Research & Development	52	-	Master Degree of Science, Animal Science, Kasetsart University.	2007-2020: Assistant Vice President Research & Development / Thai Union Feemill Public Company Limited
4. Mr. Komgrit Pavasuttinon	Vice President Accounting, Finance and Credit Control	55	-	Master Degree of Development Economics (Finance), National Institute of Development Administration	2020-2020: General Manager / Thai Union Seafood Company Limited 2015-2022: Executive director, Thai Hua Rubber Public Company Limited
5. Mr. Chertchoo Ketkaew	Vice President Plants Operations	56	-	Bachelor Degree of Science in Industrial Production Technology, Phetchaburi Rajabhat University	2018-2022: Senior Production Manager / Krungthai Food Public Company Limited

6. Ms. Sillapawanna Limpasoponpanich	Vice President Human Resource	44	-	Master Degree of Science Program in Human Resource and Organization Development, National Institute of Development Administration	2018-2019: Organization Effectiveness Division Manager, Siam City Cement Public Company Limited 2014-2018: Deputy Human Resources Manager, Thai Union Group Public Company Limited
7. Ms. Kanthima Reanarom	Accounting Manager	46	-	Bachelor Degree of Accounting, Siam University	2020-2022: Deputy Accounting Manager 2011-2019: Head of Accounting, Thai Union Feedmill Public Company Limited
8. Mrs. Savitri Jaiprasong	Finance Manager	52	-	Bachelor Degree of Accounting, Dhonburi Rajabhat University	2003-2019: Deputy Financial Manager, Thai Union Feedmill Public Company Limited

Role and responsibilities of Company Secretary

The Board of Directors' meeting No. 5/2022 on 1 November 2022 has a resolution to appoint Mr. Terapol Soonponrai to be a company secretary effective 16 November 2022 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.

Mrs. Tipupsorn Kamlangngarm 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. Ms. Tipupsorn Kamlangngarm has graduated master's degree of accounting, major IT accounting, State University of New York at Albany.
2. Ms. Tipupsorn Kamlangngarm 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. Ms. Tipupsorn Kamlangngarm attended the E-Learning CFO's Orientation for New IPOs.

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 2022.

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 Chanai	Mr. Cheng Nirutthanan	Mr. Bunluesak Sorajjakt	Mr. Chan Shue Chung	Mr. Kanit Vallayapet	Mrs. Rachadaporn Rajchataewindra	Dr. Somchai Thaisanguanvorakul	Mrs. Morragot Kulatunyotin	Mr. Suchat Yuddon	Mr. Chertchoo Kelkaew	Ms. Tipusom Kamlangngam	Mr. Preecha Bangnokkhwaek
	Mr. Kongrit Pavasutthoon	Ms. Kanthima Reanaron	Mrs. Savitri Jalprasong										
Beam Data Company Limited	/, EC												
Thaipattana Stainless Steel Company Limited		/											
Hunhong Kanchang Registered Ordinary Partnership		/											
Jana Fish Industries Company Limited		X											
T.C. Union Agrotech Company Limited		X											
Asian Pacific Thai Tuna Company Limited		X											
Thai Glycerine Company Limited		/, EC											
New Century Printing & Packaging Company Limited		/											
Oriental Unique Company Limited		/, EC											
Phil-Union Frozen Foods, Inc. (Philippines)		/, EC											
Yueh Chyang Canned Food Company Limited		/											
Avanti Feeds Limited				/									
Avanti Frozen Foods Private Limited				/									
EHS Training and Services Company Limited					/, EC								
Thai Union South East Asia Pte. Ltd. (Singapore)					EC								
Thai Union Europe SAS (TUE)					/								
Star Union Packaging Company Limited					/								
Family Dream Weaver Company Limited						/							
Mitr Trang Company Limited						/							
IDE Amata Company Limited						/							
Intouch Holdings Public Company Limited						///							
Thai Roong Ruang Industry Company Limited						///							
Ubon Bio Ethanol Public Company Limited						///							
TRC Construction Public Company Limited							IV						
Thailand Privilege Card Company Limited							/						
Fish Marketing Organization							IV						
The Zoological Park Organization of Thailand							IV						
VRTwins Company Limited							/						

	Director, management and controlling persons												
	Mr. Rittirong Boonmechote	Mr. Thiraphong Chansri	Mr. Cheng Nirutthananon	Mr. Bunluesak Sorajjakt	Mr. Chan Shue Chung	Mr. Kanit Vailayapet	Mrs. Rachadaporn Rajchataewindra	Dr. Samchai Thaisanguanvorakul	Mrs. Morragot Kulatunyotin	Mr. Suchat Yuddon	Mr. Chertchoo Kelkaew	Ms. Tipusom Kamlangngam	Mr. Preecha Bangnok-khwaek
							/						
Dhipaya Holding Group Public Company Limited							/						
Government Saving Bank							/						
SNC Former Public Company Limited								/, EC					
Zeus Energy Company Limited								/					
Pracharath Rak Samakkee Samut Prakan (Social Enterprise) Company Limited								/					
Paradise Plastic Company Limited								/					
Meisou SNC Precision Company Limited								/					
Yala Fah Sood Company Limited								/					
Siam Eastern Industrial Park Company Limited								/					
Ultimate Parts Company Limited								/					
Infinite Parts Company Limited								/					
Immortal Parts Company Limited								/					
ECOT Enterprise Company Limited								/					
SNC Creativity Anthology Company Limited								/					
SNC Cooling Supply Company Limited								/					
SNC Pyongan 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								/					
Hercules Oil Company Limited								/					
Siam Environmental Technologies Company Limited								/					
Hygea & Laso Cooperation Company Limited								/					
INET REIT Management Company Limited									/				

	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 Rajchataewindra	Dr. Somchai Thaisanguanvorakul	Mrs. Morragot Kulatunyotin	Mr. Suchat Yuddon	Mr. Chertchoo Kelkaew	Ms. Tipusorn Kamlangngam	Mr. Prascha Bangnuk-kiwaek	Mr. Kongrit Pavasuttinon	Ms. Kanthima Reanaron	Mrs. Savitri Jalprasong
BlishTech 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									/							
Mandala Communications Company Limited									X							
Onespace Corporation Company Limited									/							
One Electronic Billing Company Limited									/							
Internet Thailand Public Company Limited									/, CEO							
Atcelera Corporation Company Limited									/							
INEXT Broadband Company Limited									/							
INET Managed Services Company Limited									/							
Thai Dot Com Company Limited									/							
INET Managed Services Company Limited									/							
Manage AI Solution Company Limited									/, //							
Transform You Company Limited									X							
Nexpie Company Limited									/							
Local Life Platform Company Limited									X							

Remark:

X - Chairman of the Board of Directors, O - Vice 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

Directors	Subsidiaries	
	1.PT Thai Union Kharisma Lestari	2.AMG-Thaiunion Feedmill (Private) Limited
1. Mr. Rittirong Boonmechote	x	
2. Mr. Bunluesak Sorajjakit	/	x
3. Mr. Suchat Yuddon		/
4. Mr. Komgrit Pavasuttinon	/	/
5. Ms. Tipupsorn Kamlangngarm	/	
6. Mr. Preecha Bangnokkhwaek		/
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, /-Director, EC-Executive Director

Attachment 3

The details of Head of Internal Audit

Mr. Thanyathep Thiwakornsakul (Age 48 years)

Position

(has been appointed to be head of internal audit since 16 February 2022 onwards.)

Education

- Bachelor Degree of Accounting-Major Auditing, The University of The Thai Chamber of Commerce

Training

- Certificate of Internal Auditor of Thailand (CPIAT Class of 70) 2022
- 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

Work Experience

- **2021-Present**
Internal Audit Manager
Thai Union Feedmill Public Company Limited
- **2021**
Internal Control Consultant
D Farm Food Retail Company Limited
- **2015-2020**
Senior Internal Audit Manager
The Mall Group Company Limited
- **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

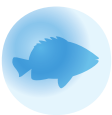
Corporate Governance Policy and Code of Conduct



CORPORATE
GOVERNANCE POLICY



CODE OF CONDUCT



Attachment 5

Audit Committee Report

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 2022, 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 Thaisa-nguanvorakul**
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 2022 are as follows:

Financial Statements Review

The Audit Committee reviewed the key informations of the quarterly and annual financial statements for the year 2022 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.

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 2022, 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 2023

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 2023 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



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