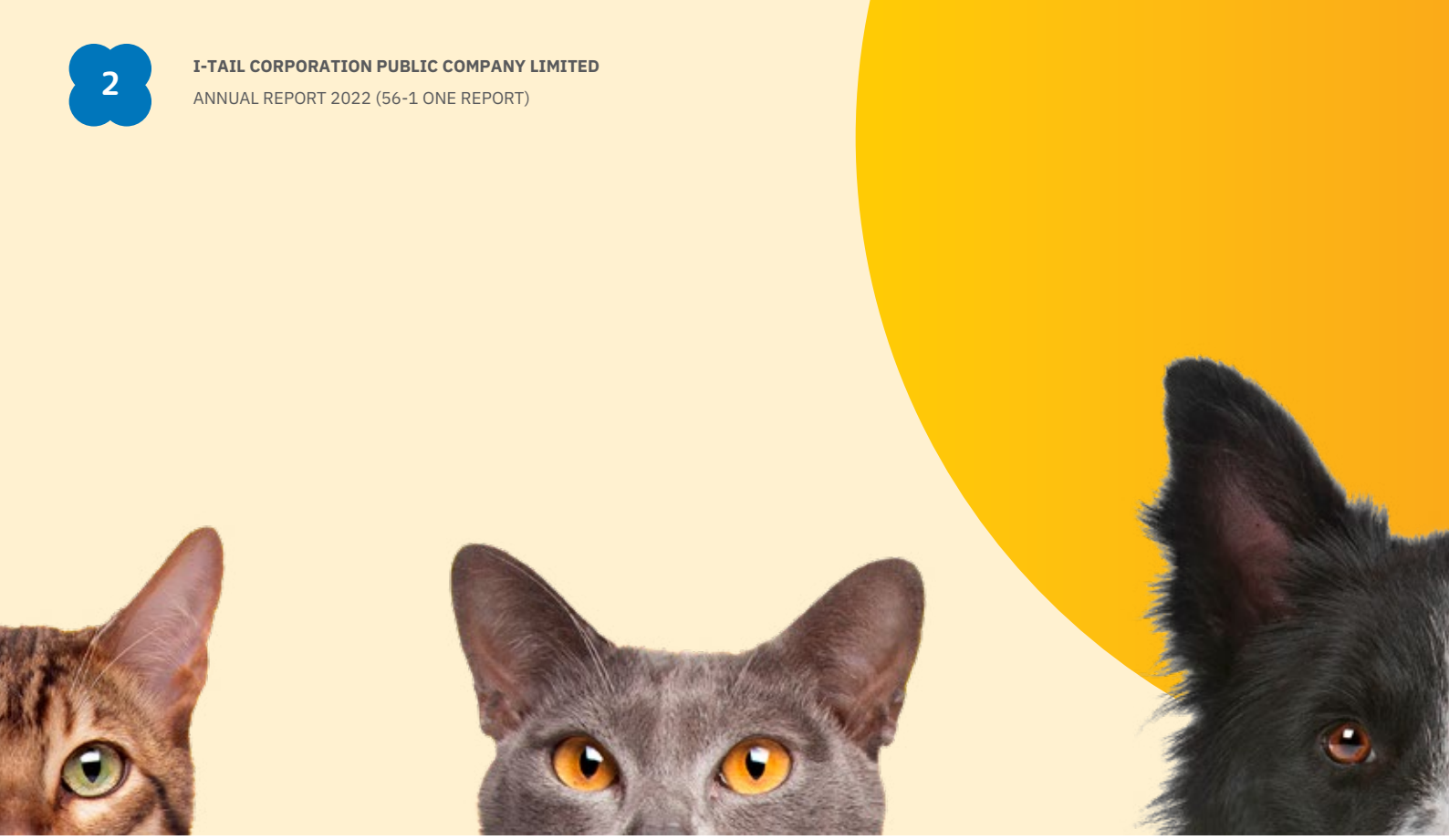
Annual Report 2022
(56-1 One Report)
i-Tail Corporation Public Company Limited

Nourishing One Healthy Family

i-Tail



Contents

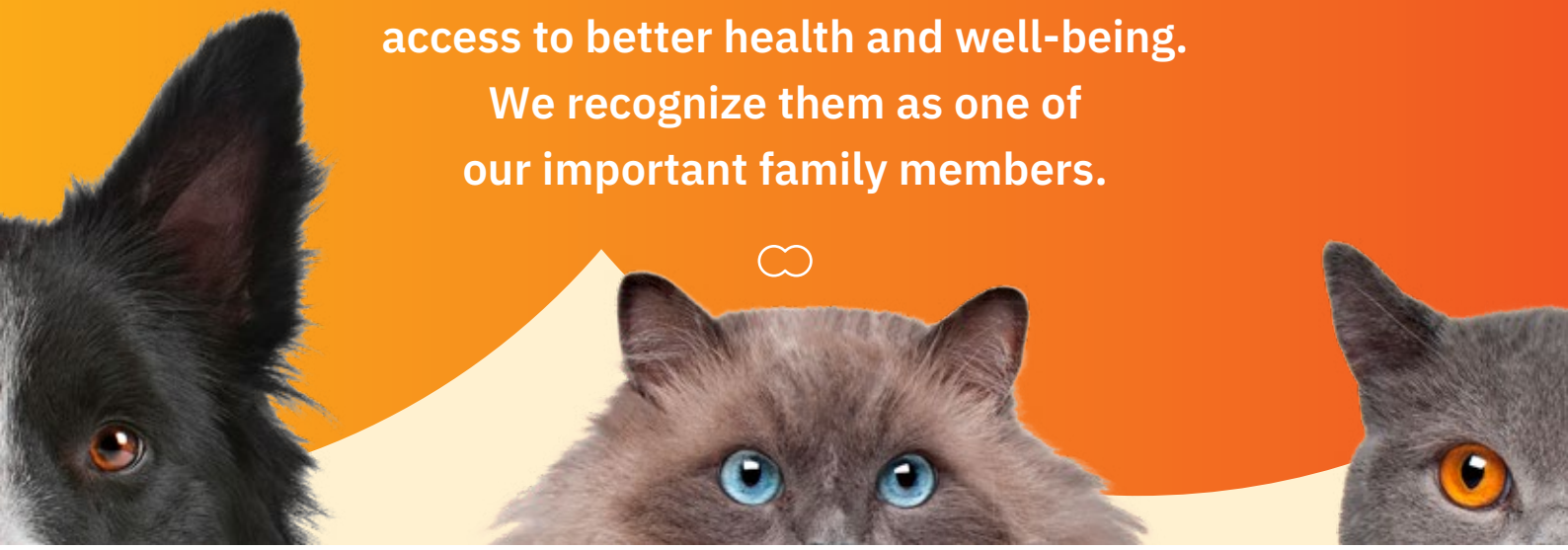
Message from the Chairman 4
Message from the CEO 6
Company Profile 8
Vision and Mission 9

Section 01 **Business Operations and Performance**

Group Structure and Operations 11
- i-Tail Strategies 11
- Corporate History and Development 16
- Our Brand Portfolios 20
- Financial Highlights 24
- i-Tail Research and Innovation 26
- Business Development Innovation 28
- Food Quality and Safety 30
- Our Core Product Categories 32
- Pro Forma Sales Breakdown 34
- Group Business Structure 35
- Details of the Company and Its Subsidiaries 36
- Relationship between i-Tail and TU Group 37
- Pro Forma Sales Structure of i-Tail and Its Subsidiaries 39
- Investment Promotion Act 40
- Industry Overview 41
- Factories and Capacity 49
- Dividend Policy 50

Risk Management 51
Business Drive for Sustainability 66
Management Discussion and Analysis 85
General and Important Information 91

We believe all our companions deserve access to better health and well-being. We recognize them as one of our important family members.



Section 02 Corporate Governance

Corporate Governance Policy 93
- Overview of Policy and Principles of Good Corporate Governance 93
- Business Ethics 102
- Changes and Significant Developments in Policies Practices, and Corporate Governance Systems in the Past year 103

Structure of Business Management 106
- Information about the Board of Directors 108
- Information of the Sub-Committees 122
- Information of the Executives 128
- Employee Information 132
- Other Important Information 139

Corporate Governance Report 140
- Performance Summary of the Board of Directors 140
- Audit Committee Report 152
- Performance Summary of Other Sub-Committees 155
- Statement of the Board of Director's Responsibilities for the Financial Statements 160

Internal Control and Connected Transactions 161

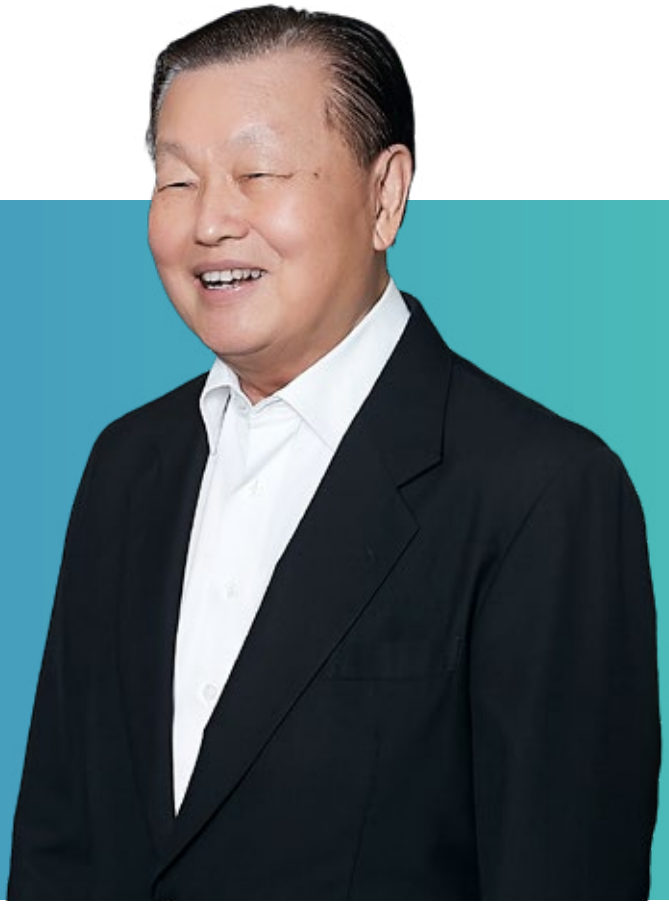
Section 03 Financial Statement

Independent Auditor's Report 187
Financial Statements 191
Pro Forma Consolidated Financial Information 253

Attachment

Attachment 1 Information and Details of Directors, Executives, People Assigned the Highest Responsibility in Accounting and Finance, and Company Secretary 277
Attachment 2 Details of the Directors of the Subsidiaries 300
Attachment 3 Detail of the Head of Internal Audit 301
Attachment 4 Assets Used in Business Operations 302
Attachment 5 Corporate Governance Policy and Code of Business Ethics 302
Attachment 6 Assurance Statement for Environmental, Health and Safety Performance 303

Message from the Chairman



2022 was an important year for i-Tail, not just for the growth of the business but also for setting the path for our future growth.

i-Tail Corporation is proud to be one of the world's leading pet food manufacturers.

We recognize that for millions of people around the world, pets are an important part of the family. So, ensuring their cats and dogs enjoy food that is both healthy and nutritious is something they take seriously. This is something we also take very seriously at i-Tail, because we do care and are pet-centric.

2022 was an important year for i-Tail, not just for the growth of the business but also for setting the path for our future growth.

The pet care industry is growing rapidly around the world, in part due to changing demographics. Rising urbanization in many countries, an increase in the number of single households, and a decline in couples having children are all contributing to a surge in pet ownership. With that comes a spike in demand for pet food, of which i-Tail is part of the solution.

At the same time, pet owners are becoming increasingly selective about the food they serve their pets. Which is why at i-Tail we source the raw materials that are nutrient dense and provide pets with health benefits to help them live longer and healthier lives.

Innovation is also essential to i-Tail's future, ensuring we are developing products that meet the needs of cats and dogs in different markets around the world. We have a number of innovation departments comprised of specialists from various fields, and work closely with the Thai Union Group's Global Innovation Center to

create new advanced product prototypes that are packed with nutrients and will satisfy the palettes of all pets.

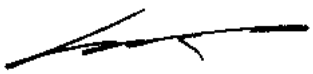
We are also developing i-Cattery, our research and development center for cats which will allow us to fully understand their needs and test products with cats to ensure we are bringing the right concepts to life. i-Cattery will be up and running in March 2023.

To meet the growing need for pets, we need to grow ourselves. I was pleased to see the positive response to i-Tail's initial public offering in 2022, helping us to successfully be listed on the Stock Exchange of Thailand in December 2022. The listing will be crucial for our own future, as it will allow us to expand our plants and invest in even more innovation so that we can not only stay ahead of the market but also create a new variety of products that will appeal to even more customers.

i-Tail has also developed strategies to expand our private label business in important markets such as the United States, Europe, and China. Our key target is to continue increasing our share in every market. I am confident that the strong management team we have in place will ensure we successfully take advantage of these growth opportunities.

I also take great pride in supporting local communities, and that extends to cats and dogs as well. In 2022, i-Tail was able to provide Bellotta and Marvo cat and dog food products to pet shelters across Thailand to help sick, handicapped, and needy animals.

2022 was a momentous year for i-Tail as we witnessed our highest ever and laid the groundwork for the next phase of our business. Of course, we cannot achieve such success alone. I want to thank our many stakeholders, investors, and analysts for their long-standing and continued support. I am optimistic about the future of i-Tail and I look forward to working with you as we grow to become the world's leading pet food manufacturer.



Mr. Cheng Niruttinanon
Chairman

Message from the CEO

Innovation will continue to play a critical role in the growth of the business and will be a key focus moving forward. We aim to develop and deliver a growing number of new and exciting products for the market.

2022 was an exciting year for i-Tail Corporation.

A year of strong growth culminated in i-Tail Corp successfully listing on the Stock Exchange of Thailand with a market capitalization of THB 96 billion – marking the largest ever initial public offering in the Food & Beverage sector of Thailand's capital market.

A total of 660 million IPO shares were allocated, including 60 million shares held by our parent company, Thai Union Group, and 600 million newly issued shares for the public. The success of the IPO was a sign of confidence from the investment community in our business and future growth prospects.

i-Tail's listing on the SET will enhance our growth, with proceeds from the fundraising to support factory expansion, the purchase of new machinery, and an expansion of the automation system to increase productivity. This will support our goal to become the leading manufacturer and distributor of pet food globally.

Of course, 2022 was not without its challenges. COVID-19 continued to have an impact on the business in the first half of the year, particularly in our supply chains due to reduced availability of vessels and containers. However, as supply chain bottlenecks eased in the second half, i-Tail witnessed extraordinary demand and growth as the world returned to near normal following the pandemic. Inflation remained stubbornly high on some of our products, but we were able to pass on many of these higher costs.

Our revenue for the year increased by 47.4 percent from a year earlier to THB 21.4 billion, helping i-Tail deliver a net profit of THB 4.1 billion, an increase of 61.8 percent from 2021. i-Tail's earnings before interest and tax for the year grew by 63.0 percent from the year before to THB 4.5 billion, while our gross profit margin was 25.0 percent. We expect to maintain strong sales momentum in 2023, with growth through to 2025 to be double the industry forecast of 7 percent.

In 2022, i-Tail also maintained an eye on the future so that we can sustain our predicted strong growth. To support this, we continued to push ahead with capacity expansion through the construction of a new plant, which should be completed by mid-2023. We also have a strong focus on the automation of our production facilities, which will not only increase the efficiency of our operations but also their accuracy.

Innovation will continue to play a critical role in the growth of the business and will be a key focus moving forward. i-Tail's mission is to deliver uncompromised quality of pet nutrition more advanced than human wellness through innovation. Through the work of four innovation teams – Research & Development, the Business Development Innovation Department, the Global PetCare Innovation Department, and the Thai Union Group Global Innovation Center, we aim to develop and deliver a growing number of new and exciting products for the market.

As we are a part of Thai Union Group, i-Tail has also adopted and embraced its SeaChange® sustainability strategy, and we are fully committed to achieving long-term sustainability through four key pillars: Safe & Legal Labor, Responsible

Sourcing, Responsible Operations, and People & Communities. Not only do we operate i-Tail responsibly through the development of innovative products, but we are also constantly exploring innovative ways of working to benefits society and the environment.

Finally, I would like to thank our stakeholders – investors, suppliers, consumers, and retailers – for putting such enormous faith in our business. Our ability to grow into the business we are today is due to these important partnerships, and I am excited to continue working together as we evolve to become the world's leading pet-centric company.

Mr.Pichitchai Wongpiya
Chief Executive Officer

Company Profile

i-Tail Corporation Public Company Limited
Registration No. 0107536000641
Type of Business
Manufacturer and distributor of pet food business

Head Office
979/92-94, 29th Floor, SM Tower, Phahonyothin Road,
Phayathai Sub-district, Phayathai District,
Bangkok 10400, Thailand
Tel.: +66 (0) 2298-0029, 2298 0433 - 9
Fax: +66 (0) 2298-0442

Songkhla Plant
333 Moo 2, Kanjanavanich Road, Phawong Sub-district,
Mueang Songkhla District, Songkhla 90100, Thailand
Tel: +66(0) 7430-0700-8
Fax: +66(0) 7430-0709

Samut Sakhon Plant
30/24 Moo 8, Rama 2 Road, Tha Sai Sub-district,
Muang District, Samut Sakhon 74000, Thailand
Tel: +66(0) 3445-8600
Fax: +66(0) 3445-8699

Investor Relations Department
Tel.: +66 (0) 2298-0029
Email: itail_ir@thaiunion.com

Corporate Communications Department
Tel.: +66 (0) 2298-0029
Email: itail_corporate@thaiunion.com

Website
www.i-tail.com

Listed on the Stock Exchange of Thailand since December 9, 2022.
As of December 31, 2022:
Registered capital THB 3,000,000,000 (3,000,000,000 shares)
Paid-up capital THB 3,000,000,000 (3,000,000,000 shares)
Par value THB 1 per share

Vision

Building a happier world where pets thrive and live their healthiest lives.

Mission

Deliver uncompromised quality of pet nutrition more advanced than human wellness, through innovation.

Section

01

Business Operations and Performance

Continue growing the market share of pet food market by collaborating with leading players in the market and diversifying its customer base.

Group Structure and Operations

i-Tail Strategies

i-Tail strives to remain a frontrunner in the provision of OEM pet food products, particularly wet pet food. Our existing key markets are the United States, Europe (including the UK), and Japan, which remain poised to show strong growth for cat and dog pet food products for the next few years. i-Tail plans to expand our share of wallet via existing customers in these markets by broadening the selection of pet food products that it offers and collaborating with them to co-create new products to enable them to respond quickly to the changing needs and preferences of their own customers. For example, pet treats are a high growth market with higher margins. i-Tail plans to leverage its R&D capabilities and customer relationships to further develop the pet treat offerings to the key customers.

The cross-functional teams will provide support in improving customer engagement and strategic client management to ensure the provision of a convenient and one-stop service to the customers. i-Tail has sales services in each of its key markets to ensure that each customer is met with the required amount of support and their requirements are efficiently processed. For example, the sales and marketing team in the United States offers product development and product strategy services by working with the customers that are retailers to develop new products and prepare logistic arrangements to enable such customers to successfully fulfill their launch plan. i-Tail aims to expand its sales and business support team within its key markets, particularly Europe, the United States, and China, to enhance the quality and breadth of its customer service network. We plan to roll out the product development and product strategy services more extensively to Europe and China, in addition to other markets in which our customers are based.

i-Tail is concurrently working with leading pet food brand owners and retailers to balance its customer portfolio. As part of this initiative, we plan to expand our OEM business in existing markets like the United States, particularly in the wet pet food category. To further diversify our revenue source, i-Tail plans to seek opportunities to expand into emerging markets like China, to increase our market share by selling additional products to our existing customers, and to promote and sell the new innovative products under our own brands initially to European retailers.

Expand geographically into markets with white space for growth.

i-Tail targets to expand our business into new markets through a number of strategies, including collaborating with international brands as an OEM product provider to bring such brands into new markets, particularly markets where high-quality wet pet food products are starting to thrive, and increasing its business with existing international players with established brands in such markets. i-Tail also plans to partner with domestic companies in the targeted markets which might not have access to similar OEM products offered by international brands.

China is an attractive market that i-Tail plans to venture into. The trend underlies the growing traction of premium wet pet food in the Chinese market. i-Tail is currently exploring business partnership opportunities in China, including online e-commerce platforms which offer potential private label customers. If successful, such partnerships would provide the Company with private label manufacturing and networking opportunities with other leading multinational brand owners in China, with whom the Company does not have any existing relationships. In 2022, i-Tail acquired new potential importers and brand owners in China which marked the beginning of its expansion in this market.

i-Tail also plans to expand into the UK market in the next few years and continues to explore business partnership opportunities with private label businesses in the UK. The UK is a large and attractive pet food market and is relatively advanced compared to other European countries with regards to the emphasis on sustainability—sourcing of ingredients, packaging, labor, etc.— making the Company products a good strategic fit given its strong ESG practices.

Drive product sales through a strong pipeline of new products that suit the changing needs of customers and align with global trends in the pet food market.

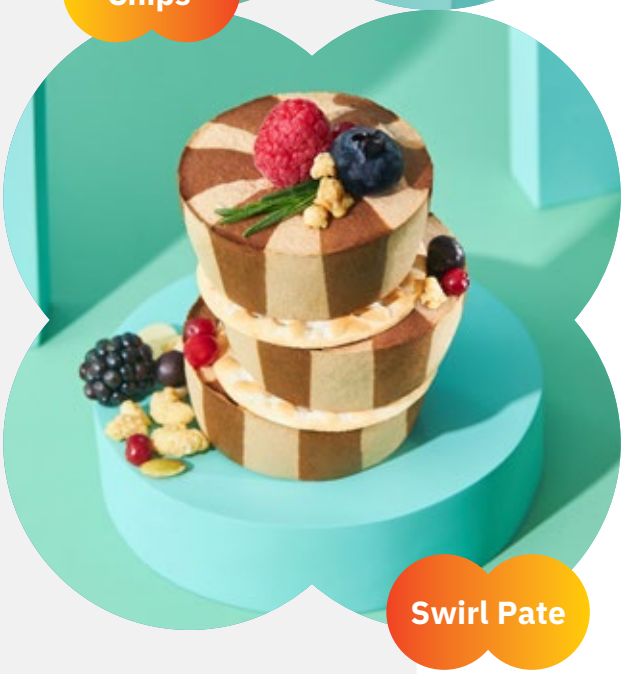
i-Tail will support its production pipeline through a robust innovation ecosystem made up of internal, external, and related party resources. Through its Global PetCare Innovation (GPCI), which focuses on product and technology development and recipe and process optimization, the Company works closely with our customers to co-develop new and innovative products. The R&D team is responsible for technical formulations, nutrition adjustments, alternative ingredient studies, nutrition declarations, and customer support. The business development team assists in providing market and consumer insights, conducting hypothesis testing as well as feasibility and business model studies. The Company is also supported by Thai Union's Global Innovation Center, which provides in-depth research on nutrients, raw materials, process technology, and sustainable packaging, which the Company considers and utilizes in new product development. In addition, the Company utilizes SPACE-F, a food tech start-up incubator and accelerator led by Thai Union, Thailand's National Innovation Agency, and Mahidol University's Faculty of Science, as a key resource for innovative and ground-breaking ideas and technology for our production process.

i-Tail aims to create advanced products that provide health benefits and respond to the pet humanization and pet premiumization trends in the global pet food market. For example, we created a vitamin cat drink and dog snack bars which offer health and wellness benefits, such as immune system booster, kidney support, bone and joint support, and stress reduction. The Company introduced new products that resembled human food, such as swirled pate, multi-layer pet food, and Rooster (chicken jerky chips).

i-Tail has a number of new innovative products that cater to functional health diets in its pipeline which the Company expects to launch in 2023, such as enzyme or collagen products that support the digestive system, bone broth that enhances the immune system, two-tone protein mousse that helps brain functions, and gelatin that helps maintain the skin and enhance joints and bones.

In response to increasing awareness of and demand for sustainable and environmentally- friendly products in terms of ingredients and packaging, i-Tail is considering a range of ingredients and products that fit within this profile. The Company is exploring alternative protein sources, such as insect protein, which consumes less food, water, and energy resources than cows, chicken, and other livestock, and are richer in nutrients, to be used in the production of various products such as biscuits.

To create pet food with health benefits, including nutritional supplements, i-Tail is exploring opportunities to partner with leading universities in Thailand to create new pet food products that can be prescribed as treatment for pets to improve their health, further reinforcing customer recognition of the quality of the Company products.



Pursue operational excellence through continued improvement initiatives.

i-Tail aims to continue improving the efficiency of its operations and manufacturing processes and the consistency of its product quality in order to improve the profit margins. To do so, i-Tail aims to enhance its automation initiatives to improve the manufacturing efficiency, lower the costs, and lessen the impacts of any labor shortages while increasing the focus on sustainable commercial and supply chain excellence.

We believe that enhancing our automation initiatives will improve the efficiency of the manufacturing processes and help reduce its reliance on human labor, particularly during labor shortages. i-Tail is in the process of implementing various automation improvements in our manufacturing processes such as installing an automated retort sterilizing machine in our manufacturing facilities, which is currently in the pilot phase. i-Tail plans to construct an automated storage and retrieval system (ASRS) and install automated labelling and casing machines at our Samut Sakhon plant and ASRS in our new warehouse in Songkhla Province.

Our continuous investments in the automation of the manufacturing facilities will allow the Company to continue improving its productivity. i-Tail has initiated many cost-saving projects. Such technology helps improve its efficiency and lower the costs. In order to maintain the consistency of the quality control, i-Tail is also investing in automated processes to monitor and oversee our production processes.

i-Tail aims to reduce our energy costs through the use of renewable energy sources, a strategy which is in line with our commitment to fight against climate change and reduce the GHG emissions. The Company has installed solar cell panels at our Songkhla plant, which covered approximately 5% of the total electricity consumption at such plant, reducing GHG emissions by over 600 tons CO2eq. per year. The Company plans to install additional solar cell panels at both of our Songkhla and Samut Sakhon plants. We aim to have approximately 30% of the electricity required to operate our manufacturing plants be generated from the solar cell panels by 2025.

In addition, i-Tail aims to focus more on sustainable commercial and supply chain excellence. The Company plans to improve our commercial performance through proactive key account management and partnership developments with our customers. We will continue to focus on and engage with our OEM customers to co-develop new products and build on the win-win dynamic that such co-creation program has had on the Company and our OEM customers, with such program serving as a platform to demonstrate the strength of the Company products to the pet food industry and foster closer relations with our customers. As part of the Company's efforts to maintain an efficient integrated supply chain system, i-Tail will continue to prioritize the relationships with key vendors of raw materials, ingredients and packing materials, to ensure the sustainability of our supply sources and to forge closer partnerships with our key vendors, with the aim of collaborating with such vendors on future cost-saving programs.

Corporate History and Development

Thai Union started producing pet food products at the Samut Sakhon plant in 1977 under Thai Union Manufacturing (TUM). In 1981, our company was first established under the name Songkla Canning Company Limited to operate as a manufacturer of ambient seafood and tuna products. We were subsequently listed on the SET in 1988. In 1989, we started producing pet food products under Songkla Canning Company Limited. In 1993, our company converted to a public company under the name Songkla Canning Public Company Limited. In 1999, Thai Union became the majority shareholder and Songkla Canning PCL. was subsequently delisted from the SET in the same year. In September 2021, our company changed our name to i-Tail Corporation Public Company Limited.

Our key milestones

1977

- Thai Union started manufacturing pet food products at the Samut Sakhon plant under Thai Union Manufacturing (TUM).

1981

- Songkla Canning was established to operate as a manufacturer of ambient seafood and tuna products.

1988

- Songkla Canning (SCC) was listed on the Stock Exchange of Thailand (SET)

1989

- SCC started manufacturing pet food products at its Songkhla plant.

1993

- SCC was converted to a public company under the name Songkla Canning PCL

- Acquired a majority stake (90.5%) in Asian-Pacific Can (APC), a producer of steel and aluminum food packaging products in Thailand, and increased our shareholding to 99.0% in 2016.

1994

1999

• Thai Union became a majority shareholder and SCC was delisted from the SET in the same year.

2004

• Launched our first pet food product in plastic cups for a global brand customer in the U.S. market.

2008

• Acquired a majority stake (51.0%) in Yueh Chyang Canned Food (YCC), a canned seafood processor and exporter in Vietnam. Later, we increased our shareholding in 2016 to 83.3% and in 2017 to 100.0%.

2010

• Founded US Pet Nutrition (USPN) to produce and market OEM and branded pet food in the U.S., specializing in premium pet food and treats.

2012 - 2013

• Launched “Rockstar” chunks contained in plastic trays, known as “B-tub” in the United States.
• Started manufacturing cat and dog food products for a global pet food retailer.

2015

• The Global PetCare Business Unit was set up under TUM, with a focus on pet food business.

2016

• Incorporated the use of automatic sachet machines in our production process.

2017 - 2020

• Global PetCare Innovation Center (GPCI) was established to focus on innovation and the development of new products.
• The Company has incorporated freeze dry technology in its pet food production process and has launched various pet food products in many overseas markets as follows:
- Tuna flakes in mini vacuum bags in the U.S. and mousse in sachets in Japan, both are cat food products.
- Triple layer pet food products in China and pet food products in Brazil.
- Cat drinks and vitamin drinks for cats and dogs in the European market.

2021

• Introduced the “ChangeTer” brand, offering kidney-friendly mousse snacks for cats. ChangeTer serves as a platform to showcase new prototype products to our OEM customers.
• Our strategic customer launched new pet food products, such as the swirl pate, which were manufactured and sold under our customer’s brand in the United States.
• Manufactured Rooster, chicken jerky chips, for our customer in Hong Kong.
• Established our Japanese subsidiary, Japan Pet Nutrition Co., Ltd., to import and distribute pet food and pet-related products in Japan in May 2021.
• Changed the company name to i-Tail Corporation Public Company Limited in September 2021. Established a US subsidiary, i-Tail Americas Inc. (ITA), as a holding company in September 2021.

2021

• Announced major restructuring within our business, including:
- Discontinuation of our business in manufacturing and distributing ambient seafood in order to focus solely on the pet food business
- Disposal of our investment in APC to Thai Union
- Disposal of our investment in YCC to TUM, a related company also under comman control of Thai Union
- Acquisition of USPN, which imports and distributes pet food in the United States, from Thai Union North America, Inc. and Tri-Union Seafoods LLC, both of which are under comman control of Thai Union through our subsidiary i-Tail Americas
- Acquisition of TUM's pet food business

2022

• Went public, listing on the Stock Exchange of Thailand on December 9, 2022 as i-Tail Corporation PCL (ITC) in the agriculture and food industry, which marked the largest ever IPO under the food and beverage category in the history of Thai capital market.
• Announced the establishment of our subsidiary i-Tail Pet Food (Shanghai) to expand the sales of pet food and pet-related products in China by focusing on private labels, which will be effective in 2023.
• Announced the establishment of our new subsidiary i-Tail Europe (Netherlands) to expand the sales of pet food and pet-related products in Europe by prioritizing the U.K., Germany, France, and Netherlands markets, to gain new business of private labels and regional brands in Europe, which will be effective in 2023.

Our Brand Portfolios

Currently we have five brands: Bellotta, Marvo, ChangeTer, Calico Bay, and Paramount.

Bellotta

Premium quality cat food comprising both wet and dry food and cat treats in various types of packaging, such as wet cat food in pouches, cans and aluminum trays, cat mousse, special pudding meal with fruit and dry food. We use quality ingredients which are premium tuna and meat in our production to provide tasty cat food options under international standards of quality with essential nutrients that are suitable for each stage of a cat's life.

Marvo

Premium quality dog food comprising both wet and dry food made from quality ingredients with essential nutrients that are suitable for each stage of a dog's life under international standard of quality.

ChangeTer

Kidney-friendly cat and dog wet food products and treats. The product line includes a variety of formulas that help strengthen and nourish pets, such as formulas for digestion, skin and coat, immune system, urinary tract, and brain support. In addition, there are products based on a cat's lifestyle such as an indoor cat and a sterilized cat.

Calico Bay

Wet cat food products that are largely made from fresh meat and seafood, such as tuna, shrimp, and salmon, and are based on island-inspired recipes that use healthy ingredients free of preservatives and by-products.

Paramount

Premium wet dog food products produced from wholesome ingredients which offer a quality source of protein that is highly digestible. The products are based on biologically optimized formulas that nourish dogs' overall health and well-being, including promoting stronger muscles, healthy digestion, good skin, shiny coat, and a strong immune system.

Bellotta, Marvo and ChangeTer products are distributed in Thailand through traditional trade channels, such as pet shops, pet hospitals, veterinary clinics, and e-commerce platforms. Bellotta and Marvo are also distributed in other countries, such as India, Myanmar, and Malaysia. Calico Bay and Paramount products are distributed in the United States through retailers such as supermarkets.

Financial Highlights

Pro forma Financial Highlights [1] Amount (Million THB)	Year 2022	2021	2020
Sales	**21,420.1**	14,528.7	12,224.2
EBITDA	**5,102.6**	3,316.4	3,091.8
Net Profit attributable to owners of the parent	**4,401.9**	2,721.0	2,548.5
Total assets	**28,177.7**	11,508.5	10,752.9
Total Liabilities	**3,133.1**	4,691.0	5,170.0
Shareholders' Equity	**25,044.6**	6,817.5	5,582.9
Interest-bearing debt	**42.3**	2,332.1	3,478.0
Net Cash from Operating activities	**3,191.4**	2,363.2	2,030.3
Annual Dividend	**7,560.0**	1,440.0	1,008.0

Proforma Financial Ratios

Total Liabilities to Equity
(Times)

2022	0.13
2021	0.69
2020	0.93

Gross Profit Margin
(%)

2022	25.0%
2021	23.1%
2020	26.0%

Return on Fixed Assets
(%)

2022	108.3%
2021	79.4%
2020	74.2%

Return on Average Equity
(%)

2022	27.6%
2021	43.9%
2020	54.0%

Pro forma Per Share Data (Baht per share)

Basic Earnings per share

2022	2.48 [3]
2021	7.56 [2]
2020	7.08 [2]

Dividend per share

2022	2.52 [4]
2021	4.00 [2]
2020	2.80 [2]

Par Value

2022	1.0 [4]
2021	1.0 [2]
2020	1.0 [2]

Remark:

1. The pro forma consolidated financial information has been prepared by the Company's management to demonstrate the impact of the business restructuring as if occurred on January 1, 2019. (See more details under Section 3: Financial Report, topic "Pro Forma Financial Statements.")
2. The calculation is based on the equivalent number of shares for the years 2020 and 2021, which was 360 million shares of par value at THB 1 per share (for comparison purposes).
3. The calculation is based on the weighted average number of shares for the year 2022, which was 1,772.71 million shares of par value at THB 1 per share (See more details under Section 3: Financial Report, topic "Pro Forma Financial Statements," note 4.8)
4. The calculation is based on the number of shares of 3,000 million shares of par value at THB 1 per share (See more details under Section 1: Business Operation and Performance, topic "Dividend Policy.")

i-Tail Research and Innovation

Promote Good Health and Lasting Happiness

i-Tail's approach to the innovation research focuses on pet health, the sustainability of the recipe creation with quality ingredients, production technology, and product design processes to achieve the quality that meets the needs of customers and pet healthcare.

Product Innovation

Product Innovation Research Center has delivered new products to the marketing department to present to the customers annually, focusing on food nutrition to meet the international standards, such as AAFCO of the U.S. and FEDIAF of the European standards, as well as the new and refreshing looks of the products such as a product trend called Pet Humanization which refers to the kind of pet food that is tasty and different from conventional pet food. There is also a research on a product group called functional food to enhance pet health and prevent illness.

Innovative Ingredients

The ingredients are vital in product innovation for supporting sustainability in manufacturing. i-Tail has initiated the ingredient innovation research in which ingredients are scientifically tested for quality by well-regarded research institutes such as leading universities in Thailand. The approved ingredients will be used as components in the in-house products and the Company will register the intellectual property of our innovative ingredients.

A group of food ingredients currently being studied includes a group of flavoring and nutritious substances naturally deriving from tuna and chicken extract. They are exclusively used in i-Tail products. The food ingredients, function, price, and quantity can affect the production sustainability.

Production Technology Development

One of the key components in innovation drive is the development of production technology so that the products can be produced with quality and continuity. The current technology i-Tail has developed and used, is the multi-layer meat, both horizontally and vertically, put in the same container. This technology is suitably designed for different types and sizes of containers. The technology makes the products unique and appealing to customers. Furthermore, the technology development includes ingredient preparation such as the extraction of concentrated chicken bone broth to be used in product innovation of functional food.

i-Cattery

To ensure the quality and taste of the pet food that has been studied and produced, i-Tail has established i-Cattery, a cat food research center, to test cats' preferences and the impact of the food on cat health under the international standard testing procedures in terms of humanity, animal cruelty prevention, and living environment management for cats to be clean and comfortable at all times. The research center was founded in a leading well-established university and was consulted in details by the university's the animal science experts. This research center is recognized as one of the highest standard research centers in Thailand and will officially open in March 2023.

Research and Development Team

i-Tail's conceptual network creation allows the research and development team members to communicate in all dimensions. They can communicate directly with customers, the marketing team, and the production team to ensure that the research approach meets the needs of the customers or the market and can be sustainably produced by the Company to deliver high quality products to the customers.

Currently, our research and development team is based in both the Songkhla and Samut Sakhon plants with almost 100 team members, enabling the delivery of product prototypes to the customers not less than 8,000 items per year. Among these numbers, at least 700 new items are approved and manufactured each year.

Innovation Ecosystem

With a commitment to develop products that meet customer needs and care for pet health, i-Tail recognizes the value of innovation and create new innovations through its "Innovation Ecosystem," which consists of Business Development Innovation (BDi), Research and Development department, and Global PetCare Innovation (GPCI), in collaboration with Thai Union's Global Innovation Center (GIC). Each business unit maintains its continuous and in-depth research and development in order to deliver innovations that can be produced and sold to promote pet health.

Business Development Innovation

For the most part corporate leaders globally have agreed that innovation is an important driver of growth. Some public literature seems to indicate that more than 75% of executives now rank innovation as one of the top three priorities in their companies. At Thai Union and in particular i-Tail, that is no different.

People often wonder and might even ask, "What established companies would need in order to innovate?" Only to find that the answer to that question is very straight forward – a portfolio of multiple ideas. While it is true that ideas are important, real innovation is more than just about ideas. Beyond ideas, an organization also needs a process for identifying with which ideas to move forward.

Since the inception of the Business Development Innovation (BDi) team, we have been working hard to put processes and structures in place to develop business cases, generate and align ideas, frame hypotheses, and most importantly design experiments to test these hypotheses. Continuously testing refining ideas, and creating an innovation portfolio ensure that the Company move forward with the right ideas. This focus is also not purely on innovation projects that improve the current core business, but also on creating a portfolio of projects that cover two types of innovation fields:

1

Sustaining:
Building on top of the Company's existing core business model.

2

Transformative:
Exploring new value propositions or business models.

The Company also realized that apart from its innovation ambitions, it would need the capabilities to turn these ambitions into realities through a world-class internal innovation ecosystem. Part of this ecosystem is the Company's state-of-the-art i-Cattery which the Company will erect in collaboration with one of the leading universities in Thailand. Apart from this the Company is also working very closely with both Global Innovation Center as well as its Global PetCare Innovation team, all contributing to making innovation more than just an idea.

Although the aforementioned processes and functions will form the heart of the Company's innovation initiatives, the BDi team is working on creating a culture of innovation within i-Tail, not with the aim to necessarily turn every staff member into an innovator, but to make it possible for staff to suggest ideas with ease and give them the confidence that there is a process that could assist in potentially turning their ideas into a realities. For this the Company is targeting three cultural levers:

Support from the leadership team
The Company understands the impact it can have on innovation, especially in terms of time spent, the allocation of resources, and setting up strategies that guide innovation.

Design the organization to support innovation
Constantly work on making sure that the Company has the right policies and structures in place to ensure the collaboration between innovation teams and the core business.

Practices that drive innovation
In order to facilitate this, the BDi team has implemented processes, tools, and metrics to test and adapt ideas with the aim to reduce risks. The Company is also, through a program called Knowledge Share, working on ways to develop new innovations and creative skills of its employees.

For the BDi team, it is important to make sure that the Company's innovation programs are not only well structured, but also properly managed to ensure that it does not end up as just a part of Innovation Theater which tend to be the biggest challenge of corporate innovation programs.

Food Quality and Safety

i-Tail mission is to deliver uncompromised quality of pet nutrition, which is more advanced than human wellness, through innovation. This emphasizes the Company's quality policy to ensure that the food quality and safety meet the following requirements:

Quality Policy

How QUALITY matters at i-Tail and how it MATTERS to you.

M	**Meeting** and exceeding expectations
A	**Adherence** to the highest standard and regulatory Requirements
T	**Total** employee involvement
T	**The Commitment** to quality and Continuous Improvement
E	**Establish** and Maintain an Effective quality management system
R	**Risk** identification and mitigation
S	**Safe** and Reliable Products and Services

The quality policy of the Company demonstrates that delivering premium quality and value products to its customers and consumers is at the core of its success. The Company is working harder than ever to earn the trust of its customers and consumers and ensure that pets and their owners will live together for many healthier and happier years. The Company earns that trust by providing the best experience every time they choose the Company's products.

i-Tail recognizes that the demands of its customers and consumers regarding the food quality and safety means it has to work across the supply chain—from farm to shelf and from sea to shelf—with the Designed by Quality End to End (DbQ E2E) strategy to deliver a quality product to the market with little or no alteration. Providing the superior quality and safer food through every stage of the supply chain, the Company has established a rigid Material Quality Management System (MQS) and an in-house quality management program that comply with the Good Manufacturing Practice (GMP), Hazard Analysis Critical Control Point (HACCP), British Retail Consortium (BRC), and Food Safety Modernization Act (FSMA) to ensure the safety, quality, and integrity of products through every stage of the supply chain.

Furthermore, the Company continuously strives for operational excellence in food safety, food integrity, and environmental conservation which are reflected in its national and international accreditations including GMP and HACCP, both from Thailand's Department of Fisheries (DOF) and Department of Livestock Development (DLD), the Official Export Establishment Certificate from the Department of Livestock Development (DLD), ISO 14001: Environmental Management System, ISO 45001: Occupational Health and Safety , HALAL Thailand and SUCI HALAL, Dolphin Safe—an International Marine Mammal Project of the Earth Island Institute, Marine Stewardship Council (MSC), and SMETA—an audit which helps one understand the standards of labor, health and safety, environmental performance, and ethics.

The Company's associates also make the difference in the food quality and safety culture. Premium quality commences with having the best associates in the Company's team. i-Tail equips the team with experienced personnel and experts working day and night to ensure that its products and services perform at their best. i-Tail has invested a lot of time and effort in training all employees at its factories so that they are taught what matters in order to produce safe pet food from the moment the ingredients are inspected until the products are put on the shelf.

i-Tail' Food Quality & Safety Certificates

No.	List	Certification Body
1	Dolphin Safe	International Marine Mammal Project, Earth Island Institute
2	BRC, FSMA	SGS Thailand Limited, Intertek Thailand Company Limited
3	SMETA	SGS Thailand Limited
4	MSC	SGS Thailand Limited
5	ISO 14001	British Standard Institution, TUV NORD
6	ISO 45001	British Standard Institution
7	GMP, HACCP	Department of Fisheries (DOF), Thailand Department of Livestock Development (DLD), Thailand
8	Official Export Establishment Certificate	Department of Livestock Development (DLD), Thailand
9	HALAL, SUCI HALAL	HALAL Thailand and Islamic Food Research Center, Hong Kong

Our Core Product Categories

i-Tail Main Products

We manufacture and sell standard to premium quality pet food and treats for cats and dogs. Our pet food and pet treat products are made from premium ingredients, primarily fish and chicken, which are rich in nutrients and protein. Our products are divided into two categories as follows:

1. Pet Food

We offer a wide array of pet food products suitable as primary meals because they meet pets' daily energy and nutrition requirements.

• All life Stages - Our products cater to various life stages for both cats and dogs, from kittens and puppies, to young adults, mature adults and seniors, to provide the appropriate level of nutrients at each life stage.

Variety of Forms - Our pet food products come in various forms, including gravy, broth, jelly, single or multi-layer pate, tuna flakes, steamed chunks, and "Rockstar" chunks which are protein chunks with meat-like appearance and texture.

• Variety of Packaging - Our products are also available in a variety of packaging sizes and formats, such as cans, pouches, sachets, plastic cups, and aluminum trays tailored to each type of pet food for pet owners' convenience.

• Continous Development - We have developed pet food products that meet specialized nutritional requirements for pet diets. Our R&D, GPCI, and sales and marketing teams worked together to formulate diets that prevent common health issues relating to the pets' digestive system, dental, health and immune system. Our formulas meet the nutritional standard of AAFCO. We have also developed palatants to enhance the flavor of our pet food products, which provide unique attributes that other companies have not been able to replicate.

• Quality Control - Most of our pet food product line up comprises wet pet food which has a high moisture content of more than 60% of its net weight. Wet pet food is soft and easy to eat, with strong aroma and flavor that stimulate the pets' appetites. In addition to wet pet food, we also sell dry pet food which has a moisture content of not more than 14% of its net weight and is largely in the form of pellets. The low moisture content makes for easier storage than wet pet food as well as less spillage during meal times.

2. Pet Treats

We also sell pet treats, which are premium snacks that complement pets' primary meals. While pet treats provide less nutrients and energy than pet food, pet owners enjoy giving treats to their pets to reward good behavior and to foster loving relationships with their pets.

• All Life Stage - Our pet treats are designed specifically for cats and dogs of different ages, taking their nutrition requirements into account. Some pet treats are similar to pre-packaged pet food but smaller in size.

• Variety of Forms - Our pet treats have additional health benefits and take various forms, including biscuits, sticks, jerky, and mousse, thus enhancing our product differentiation and providing convenience to pet owners.

• Quality Control - Most of our pet treat products are semi-moist products with a moisture content of 14% to 60% of their net weight.

• Sustainability - We place great importance in the utilization of fresh and natural ingredients and sustainable packaging in our product development. We continually invest in R&D and new technologies in our production processes.

In addition, we leverage our patents (both approved and pending) to develop new products that respond to customer needs and market trends. Our R&D projects also enable us to stay on top of new trends in pet food industry, such as the humanization trend where pet food with the same appearance as human food has become increasingly popular, as well as functional food and treats that offer additional benefits, such as providing dental care, enhancing fur coat, strengthening immune systems, and promoting better digestion and stronger muscles. Customers have also shown an increasing preference for higher quality pet food products and premium pet food offerings. We have introduced a number of innovative products developed through our R&D projects which address these demands, such as multi-layer pate products that look similar to human food and premium quality products.

Pro Forma Sales Breakdown [1]

Pro forma sales breakdown by region

Pet food and treat products	For the Year Ended December 31,					
	2022		2021		2020	
	THB	%	THB	%	THB	%
America	11,920.8	55.6	6,720.6	46.3	5,627.3	46.0
Europe	3,357.3	15.7	2,819.9	19.4	2,451.6	20.1
Asia and Oceania	5,848.6	27.3	4,787.5	33.0	4,016.1	32.8
Thailand	293.4	1.4	200.7	1.3	129.2	1.1
Total pro forma sales	**21,420.1**	**100.0**	**14,528.7**	**100.0**	**12,224.2**	**100.0**

Pro forma sales breakdown by channel

	For the Year Ended December 31,					
	2022		2021		2020	
	THB	%	THB	%	THB	%
Branded	223.8	1.0	177.8	1.2	100.0	0.8
OEM	21,114.0	98.6	14,331.7	98.7	12,103.0	99.0
Others [2]	82.3	0.4	19.2	0.1	21.2	0.2
Total pro forma sales	**21,420.1**	**100.0**	**14,528.7**	**100.0**	**12,224.2**	**100.0**

Pro forma sales by product segment

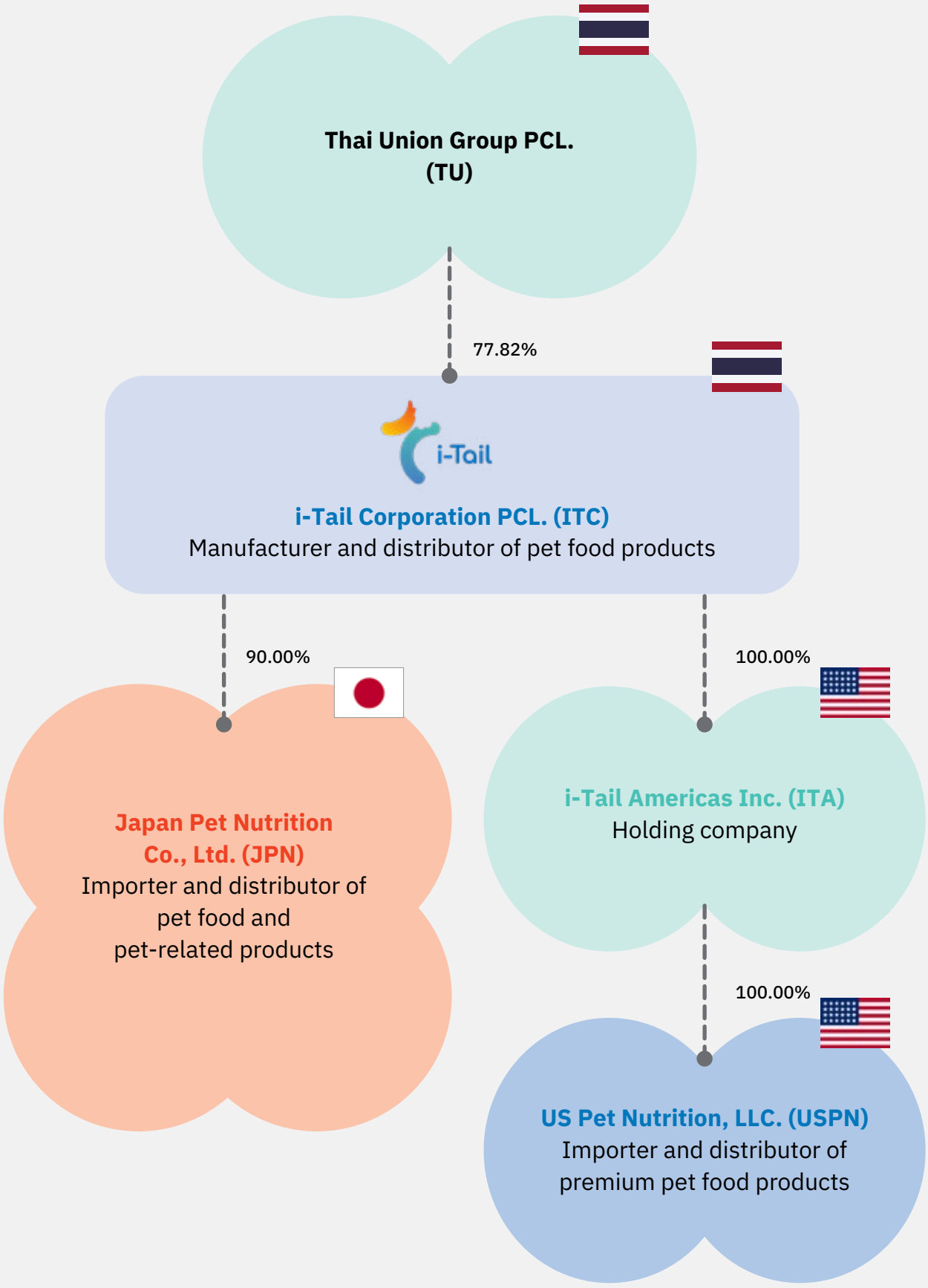
	For the Year Ended December 31,					
	2022		2021		2020	
	THB	%	THB	%	THB	%
Pet food:						
• Cat food	15,557.7	72.6	10,708.1	73.7	9,323.8	76.3
• Dog food	2,561.2	12.0	1,653.3	11.4	1,325.3	10.8
Pet treats:						
• Cat treats	1,754.5	8.2	1,375.2	9.5	1,098.7	9.0
• Dog treats	1,464.4	6.8	772.9	5.3	455.1	3.7
Others [2]	82.3	0.4	19.2	0.1	21.3	0.2
Total pro forma sales	**21,420.1**	**100.0**	**14,528.7**	**100.0**	**12,224.2**	**100.0**

* Notes:

(1) The pro forma consolidated financial information has been prepared by the Company's management to demonstrate the impact of the business restructuring as if it occurred on January 1, 2019. (See more details under Section 3: Financial Report, topic "Pro Forma Financial Statements.")

(2) Others comprise scraps and by-products from the Company's seafood raw materials.

Group Business Structure



Details of the Company and Its Subsidiaries

i-Tail Corporation PCL (ITC)

Type of Business	Authorized Capital	Paid Up Capital	Number of Issued Shares
Pet food manufacturer and distributor	THB3,000,000,000	THB3,000,000,000	3,000,000,000

Subsidiary Company : i-Tail Americas, Inc. (ITA)

Type of Business	Authorized Capital	Paid Up Capital	Number of Issued Shares	% of Holding
Holding company	USD5,000,000	USD5,000,000	5,000	100% held by i-Tail Corporation PCL

Subsidiary Company : US Pet Nutrition, LLC. (USPN)

Type of Business	Authorized Capital	Paid Up Capital	Number of Issued Shares	% of Holding
Importer and distributor of premium pet food	USD64,000,000	USD64,000,000	-	100% held by i-Tail Americas, Inc.

Subsidiary Company : Japan Pet Nutrition Co., Ltd. (JPN)

Type of Business	Authorized Capital	Paid Up Capital	Number of Issued Shares	% of Holding
Importer and distributor of pet food and pet-related products	JPY5,000,000	JPY5,000,000	50,000	90% held by i-Tail Corporation PCL

Relationship between i-Tail and TU Group

Flagship entity responsible for pet food and other pet care-related businesses

On February 23, 2022, Thai Union's Board of Directors approved a resolution which provided that as long as Thai Union remains a major shareholder of the Company and that the Company is the flagship entity responsible for the manufacturing and distribution of pet food and other pet care-related businesses, Thai Union will not directly or indirectly invest in and/or operate any businesses that compete with the Company.

On August 24, 2022, Thai Union entered into a non-compete agreement with the Company. The agreement provisions are as follows:

(1) Thai Union Group (excluding the Company and its subsidiaries) undertook not to directly or indirectly engage or invest in any pet food or pet care businesses (including in any start-up companies through the SPACE-F) or in any other businesses that compete with the Company or its subsidiaries' businesses. Neither it would partner with nor become a major shareholder of other companies that operate businesses competing with those of the Company or its subsidiaries with the exception of the investments made through the Company or its subsidiaries.

(2) The Company and/or the Company Group undertook not to directly or indirectly engage or invest in any human food businesses or other businesses that compete with those of the Thai Union Group or to partner with or become a major shareholder of other companies that operate businesses competing with those of the Thai Union Group, with the exception of the investments made through or with the Thai Union Group.

The human food manufacturing business which the Company has ceased production and sales of its products in 2022 was not considered a competitor of Thai Union as defined in this agreement.

(3) Pursuant to the agreement, both parties undertook to put in place policies to ensure the compliance with the aforementioned undertakings by them and their affiliates.

(4) The agreement came into effect on August 24, 2022 and shall be terminated if:

(i) There are any changes in the shareholding structure of the Company resulting in Thai Union no longer being a "major shareholder" of the Company as defined in the Notification of the SEC, Kor Jor. 17/2551; or

(ii) The Company is no longer a listed company on the SET.

Engaged in dry pet food production with Thai Union Feedmill PCL (TFM)

The Company offers the various types of pet food products under our own brands. We have engaged TFM, a subsidiary of Thai Union Group, to produce dry pet food which the Company has distributed since July 2021. On June 24, 2022, the Company entered into an agreement with TFM to avoid future conflicts of interest. The details are as follows:

(1) TFM agreed not to directly or indirectly engage or invest in any pet food businesses and any other businesses which manufacture or sell pet-related products, whether under TFM's trademarks or trademarks of its customers, or other businesses that compete with the Company or its subsidiaries' businesses with the exception of the investments made through or with the Company or its subsidiaries or the manufacturing of pet food or pet-related products in relation to purchase orders from the Company or its subsidiaries.

(2) The Company agreed not to directly or indirectly engage or invest in animal feed manufacturing businesses or other businesses which manufacture or sell livestock-related products, whether under our own trademarks or the customers' trademarks, or other businesses that compete with the businesses of TFM or TFM's company group with the exception of the investments made through or with TFM or TFM's group or the manufacturing of livestock-related products in relation to purchase orders from TFM or its group.

(3) The agreement shall be terminated upon:

(i) Any changes in the shareholding structure of the Company or that of TU resulting in the Company and TFM no longer have the same group of "major shareholders" as defined in the Notification of the SEC, Kor Jor. 17/2551; or

(ii) The Company and TFM are no longer listed on the SET.

Holding in Orgafeed Company Limited (Orgafeed) by Thai Union Asia Investment Holding Limited (TUAIH)

Orgafeed, a start-up in the SPACE-F program, is a food tech start-up incubator and accelerator that Thai Union is one of the co-founders. Orgafeed is in the business of manufacturing pet treats from insect proteins, the action that overlaps with the Company's business. On June 24, 2022; therefore, the Company entered into an agreement with TUAIH, a subsidiary of Thai Union investing in the convertible debentures of Orgafeed, to avoid future conflicts of interest.

Pursuant to the memorandum, TUAIH agreed to transfer the ordinary shares of Orgafeed to the Company upon the conversion of the debentures into ordinary shares (pursuant to the terms and conditions of the Convertible Debenture Subscription Agreement between TUAIH and Orgafeed, dated October 1, 2021, and any other future agreements to be entered into between TUAIH and Orgafeed), at an agreed price and on agreed terms and conditions, according to the applicable SEC regulations.

The convertible debentures may be converted within a four-week period up to the expiry date of April 21, 2023. Upon the conversion of all of the convertible debentures by TUAIH and other shareholders, TUAIH will hold 6.67% of the total issued ordinary shares in Orgafeed after such conversion.

Shareholding Structure

List of Top 10 Major Shareholders as follows (As of December 30, 2022):

Shareholders	Shares	%
Thai Union Group Public Company Limited	2,334,659,681	77.82
Citibank Nominees Singapore Pte Ltd-A/C GIC C	48,002,346	1.60
Chansiri Family	26,325,073	0.88
Mr. Sarath Ratanavadi	20,027,100	0.67
Thai NVDR Company Limited	17,502,082	0.58
South East Asia UK (Type A) Nominees Limited	15,546,800	0.52
Mr. Sura Kanitthaweekul	13,609,730	0.45
N.C.B. Trust Limited-Norges Bank 1	13,283,000	0.44
Mr. Pongsak Thammathataree	12,615,000	0.42
UBS Europe SE, Luxembourg Branch*	11,516,000	0.38
BNY Mellon Nominees Limited*	11,516,000	0.38

* The tenth largest shareholder

Nationality	Juristic Persons			Natural Persons			Total		
	No. of persons	No. of shares	%	No. of persons	No. of shares	%	No. of persons	No. of shares	%
Thai	757	2,553,591,098	85.12	15,223	232,602,644	7.75	15,980	2,786,193,742	92.87
Foreign	53	207,301,168	6.91	45	6,505,090	0.22	98	213,806,258	7.13
Total	**810**	**2,760,892,266**	**92.03**	**15,268**	**239,107,734**	**7.97**	**16,078**	**3,000,000,000**	**100.00**

Pro Forma Sales Structure of i-Tail and Its Subsidiaries

Unit: THB Million

The Company and the Company Group	holding Percentage by ITC	2022		2021		2020	
		Sales	%	Sales	%	Sales	%
i-Tail Corporation Public Company Limited (ITC)	-	14,157.3	66.1	11,372.2	78.3	10,420.7	85.2
i-Tail Americas, Inc. (ITA)	100%	-	-	-	-	-	-
US Pet Nutrition, LLC. (USPN)	100%	7,179.8	33.5	3,156.5	21.7	1,803.5	14.8
Japan Pet Nutrition Co., Ltd. (JPN)	90%	83.0	0.4	-	-	-	-
Grand total		**21,420.1**	**100.0**	**14,528.7**	**100.0**	**12,224.2**	**100.0**

* **Remark:** The above data refers to the pro forma sales structure after exclusion of intercompany transactions.

Investment Promotion Act

Promotion Certificate No.	Plant	Exemption from Corporate Income Tax Period	Specific Conditions
58-2085-0-00-1-0 Dated October 8, 2013	Songkhla	Until July 25, 2027	• Manufacturer of sealed instant and semi-instant food, animal food and animal food ingredients. • At least 51% of the shares in the Company must be held by Thai persons. • The Company must obtain ISO 9000 or ISO 14000 certification. • Factory must be located in Songkhla Province. • Permission to deduct 25% of the investment costs on installation or construction of facilities, excluding the regular deduction of depreciation costs. • Corporate income tax exemption capped at THB 2,224,415,503.12.
64-1409-0-00-1-2 Dated December 21, 2021	Samut Sakhon	Until October 1, 2025	• Manufacturer of sealed animal food under Category 1.6 Manufacturer of animal feed, or animal food ingredients. • Factory must be located in Samut Sakhon Province. • Corporate income tax exemption capped at THB 937,680,120.82.
65-0168-1-00-1-2 Dated February 10, 2022	Samut Sakhon	5 years from the date of commencement of revenue recognition. However, the Company has not yet to recognize any revenue from such promoted business activity.	• Manufacturer of sealed animal food under Category 1.22 Manufacturer of animal feed, or animal food ingredients. • The Company must obtain food standard certification such as ISO 22000 or standards which are recognized by Global Food Safety Initiative (GFSI). • Factory must be located in Samut Sakhon Province. • Corporate income tax exemption capped at THB 1,496,000,000. However, this will be adjusted according to the investment capital, excluding the actual cost of land and working capital on the promoted project opening date.

Moreover, the Company is permitted to bring foreign nationals who are skilled workers and experts into Thailand, exempted from import duties on machinery, and exempted from corporate income tax on the net profit deriving from promoted business activities not exceeding 200% of investment capital excluding costs of land and working capital. A loss incurred during the promotion period can be deducted from the net profit accrued after the expiration of the corporate income tax exemption period (5 years from the expiration date of corporate income tax exemption). In addition, dividends deriving from the promoted business activities shall be excluded from calculation of income tax.

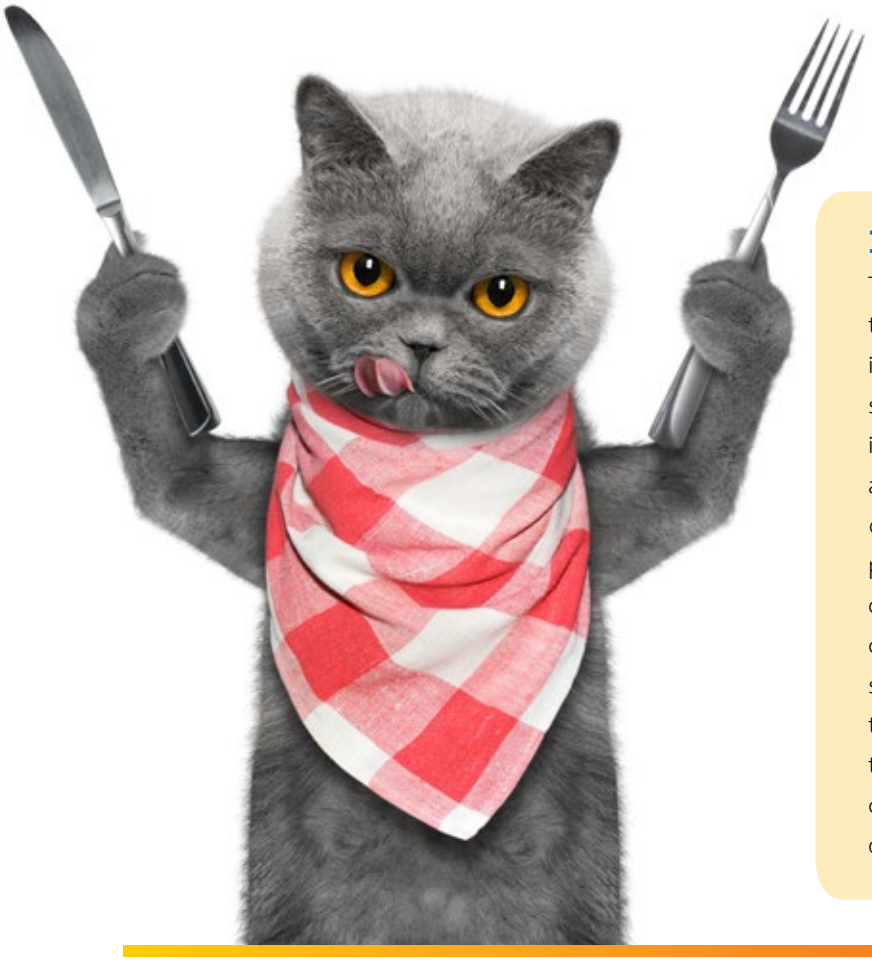
Industry Overview

Although the world has been affected by the Covid-19 pandemic until recently and overall situation had eased, the global pet food market has continued to grow in terms of the number of tons and the total product value up until the end of 2022. The growth went from 2.6 billion tons in 2018 to 3 billion tons in 2022 in quantity and from $90,000 million to $125,000 million in market value. The growth in commodity value (Retail Selling Price: RSP) was at a slightly increased rate of 11% from 2021 to 12% in 2022. However, looking at Thailand's wet pet food export market at the end of December 2022, the export from Thailand was at 336,309 tons (16% growth) or THB 52,024 million (36% growth) compared with the same period in 2021.

The selling prices of pet food products throughout the year 2022 increased due to the 2022 global inflation rate at an average of 12.0% - 12.5% in major international markets such as 8% in the United States, 7% in Germany, and 5% in Thailand. The pet humanization and pet premiumization trends also promoted innovative product development, resulting in incremental production and transportation costs.

Pet stores and pet food brand owners must keep up with business trends by managing and allocating their product offerings and quantities to align with customer demands and enhance their performance. Specialty pet food stores generally benefit more from adjusting retail prices than typical retail stores. This is because specialty pet food stores often cultivate a premium image and establish trust with customers, which can justify higher prices for their high-quality products. In contrast, typical retail stores may focus on adjusting package sizes or modifying product formulas to align with customer needs and maintain an appropriate retail prices. With high inflation, consumers are likely to buy products more often in reduced amounts.

Sources: www.moc.go.th, Thai Pet Food Trade Association, World Bank, and TradingEconomics.com



Industry Trends

The selling prices of pet food tend to increase due to both the production costs and the demand for innovative products, especially in specialty pet food stores. The leading brand owners are responding by introducing new products that prioritize innovation and nutrition at a premium price, and adjusting the quantity per package, as well as organizing promotional programs. On the other hand, typical retail stores are cautious in selecting and managing their product offerings, taking into account space limitations and sell-out rates for cost-effectiveness. The upside of the situation is the opportunity for typical retailers to develop mid-to-premium products with a focus on quality to compete based on value for money despite the higher prices.

Overview Classified by Pet Food Type

Dog Food

CAGR of Wet and Dry Dog Food Market by Value

	2017-2021	2021-2027E
Dry Food	5.7%	7.1%
Wet Food	7.1%	6.5%
Treats	9.3%	6.9%
Total	6.6%	7.0%

Source: Analysis from Euromonitor

The market share of pet food has been impacted by the uncertainty of the global economic climate. From 2017 to 2021, the compound annual growth rate (CAGR) of wet pet food was higher than that of dry food. However, the situation reversed in 2021-2027E, with dry food projected to have a higher CAGR than wet food. Despite this, the retail value of wet food continues to increase due to higher selling prices and the trend toward premiumization of wet food and treats.

Cat Food

The wet cat food is expected to grow at a similar rate to wet dog food over the next four to five years due to the aforementioned reasons.

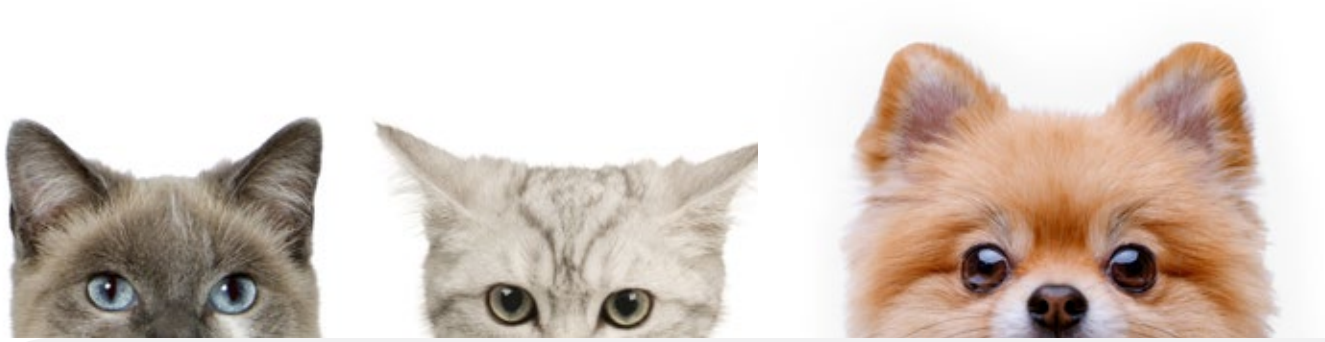
One of the key reasons for a higher share of wet food for cats as compared to dogs is that cats require 50% of their energy from proteins (such as meat/fish wet food). On the other hand, dogs require only 30% of this energy source. Although scientific studies indicate that cats prefer wet food and dogs prefer dry food, the choice of wet or dry food for cats and dogs depends on the pet owner, pet age, health conditions of pets, and other factors such as dental health, dehydration, and palatability.

CAGR of Wet and Dry Cat Food Market by Value

	2017-2021	2021-2027E
Dry Food	7.9%	9.3%
Wet Food	7.5%	6.9%
Treats	12.8%	8.3%
Total	8.1%	8.2%

Source: Analysis from Euromonitor

Increase Emphasis on Premium Pet Food Products



United States

The overall pet food market has grown steadily in the United States for the past few years and is expected to continue growing. As pet humanization continues to trend upward, the demand for high-quality pet food rises accordingly. Along with the pet humanization trends, the level of awareness regarding added benefits (nutrients, fur health, etc.) associated with premium pet food that are tailored for specific breed, age, and type of pets is also a key driver for the growth of the premium segment. It can also be stated that these premium pet food preferences are more prevalent in higher disposable income and urbanized areas on the East and West Coasts as well as urban centers in states like Florida and Texas.

China

Similar to the United States, the younger generation in China treats their pets with fancy pet food and dresses them up attractively for social media feeds. While this segment of people is fairly small, they do have considerable social media followers and are often termed as “influencers” as well. Consumers in China have shifted from providing their pets with leftover human food to packaged pet food and are slowly moving toward premium brand pet food. This is viewed as an emerging trend for China in the near future. Premium pet food products still lag behind mass market products. In light of the recent lockdowns across major cities in China such as Shanghai, pet owners have been forced to resort to the availability of any type of pet food, regardless of pricing due to severe disruptions in E-commerce deliveries as well as stockouts at local supermarkets. However, companies in the pet food business will have to continue offering more value within the premium pet food category for sustainable growth.

Source: Analysis from Frost & Sullivan

Japan

Unlike other countries, Japan's pet food market is mainly driven by the demand for premium pet food products. Dogs and cats are the most popular types of pets among the Japanese. The healthcare option in Japan is known for being very high quality and easily accessible. Pet owners would splurge on premium pet food to keep their pets healthy and prolong their age as they cared for their pets. Consumers in Japan emphasize on "premium" experience when it comes to food. Using words like "gourmet" or "deli" on the pet food products helps pet food brand owners expand their market presence in Japan.

Europe

In Europe, pet owners continued buying premium dog and cat food at a higher rate owing to the rising trend of pet humanization in the region as well. Globally, Europe and North America are considered to be "trendsetters" when it comes to parameters such as pet humanization. Consumers are leaning toward dry kibbles and wet pet food which is human-like food as pet owners focus on getting the right diet for their pets. Besides, European pet owners care about environmental issues. They would opt for sustainably produced products where manufacturers use recyclable materials in the wet pet food packaging.

Emerging Product Trends

Alternative Proteins

Animal livestock industry is the largest contributor to the build-up of methane and nitrous oxides, two greenhouse gases that have brought on the effects of climate change. There is increasing urgency by all stakeholders to reduce dependency on industrial livestock farming, which in turn is influencing pet food choices. Furthermore, industrial farming practices can be perceived as contradictory to the animal rights and welfare movement, thus many pet owners make a conscious decision to use ethically sourced food for their own animal companions. This trend has created opportunities for alternative proteins such as insects, microbes, fungi, and cell-based meats.

Insects and microbial proteins have strong potential in pet food industry as they are sustainable and have high protein content. Authorities have also begun to relax restrictions on using insect products in animal feed following demonstrations of safety and digestibility. In August 2021, the Association of American Feed Control Officials (AAFCO) approved the use of black soldier fly larvae (BSFL) in dog food. BSFL will join crickets and mealworms on an expanding list of acceptable ingredients to be used as novel protein source. The field is highly dynamic with growing investments toward start-ups and innovative product launches. i-Tail has Orgafeed, a start-up in the SPACE-F program, which is working on cat and dog treats based on insect proteins as part of its innovation pipeline. The relevant products are distributed under the Jaika brand.

Premium pet nutrition for indulgence and functional benefits

The pet humanization trend has been one of the major drivers of the premium pet food and pet care market. In the EU, premium pet food experienced the fastest growth between 2016 and 2020 compared to pet food in the mid-priced range. Pet owners are also more willing to spend on products that have enhanced health benefits beyond simply satisfying the pets' nutritional needs. These products contain functional ingredients with claims such as stronger immune system, better skin and coat, improved digestibility, and tartar prevention. Some products even help with disease treatments. In one study, an antioxidant-rich diet was shown to improve immune response in dogs that were infected with Leishmania, a parasite prevalent in Europe, Africa, Asia, and the Americas.

Aside from essential daily diets, pet owners are also looking for treats that are not just indulgent but have health benefits. This is a growing intersection that will see increasing activity and innovation. For example, i-Tail had been developing protein mousse to improve brain functions and pet beverages fortified with enzymes and collagen for better digestion and skin health.

Pet food customization

Customized pet food is also becoming more popular with the growth of online businesses, mobile apps, and online platforms. It has been another avenue for pet owners to ensure their beloved pets are getting the right nutrition tailored to the pet's species, breed, age, activity level, and any health concerns.

The growth in these product trends over the past few years has required pet food manufacturers to diversify their product portfolios to cater to ever evolving consumer demand. A robust innovation pipeline and strong focus on R&D are key success factors for pet food manufacturers in all segments.

Trends in the OEM Group/OEM Products

There are several advantages of using OEMs. One of the most critical factors that brand owners expect when partnering with an OEM is the OEM's ability to source their raw materials for pet food production.

The trend of outsourcing the production of wet pet food and pet treats (including dry food) to OEMs is expected to grow. Although brand owners can benefit from the cost of purchasing products from OEMs, OEM's innovation and product development capabilities are crucial for making this trend continue to grow more vital. The brand owners do not view OEMs as just pet food manufacturers but as partners in new product development. i-Tail operates in the similar approach of collaborating with its customers to develop new types of wet pet food, such as Swirled Mousse, Multi-Layer Chicken, etc. Moreover, when brand owners work with OEMs that can expand the product range to "premium" pet food, they must find high level of technical and product expertise and a strong understanding of consumer needs. i-Tail has been able to do such things consistently well. With the above factors and the growth of the global pet food industry, i-Tail plans for further expansion of its production capabilities in Thailand.

Pet food manufacturers as OEMs that can produce a variety of product styles and flavors have the potential to experience strong growth in value and in volume over the next 5-10 years. Some of the critical factors that will influence the OEM growth include:

Access to Raw Materials: OEMs with access to the essential raw materials to produce various types of pet food are considered to be stronger and well integrated by various brand owners and fully integrated companies. Belonging to the Thai Union Group, i-Tail is enable to take advantage of the group's ability to procure sufficient raw materials at reasonable prices. The factories in Thailand gives i-Tail an advantage over other OEMs outside of Thailand.

Automation & Technology Sophistication: Along with a versatile production capability, OEMs that have continuously upgraded their production processes and systems and installed various automation systems to improve efficiency will also be able to utilize the trends of integrated companies outsourcing production to OEMs. This also includes factors such as versatility in downstream packaging (cans, plastics, easy to peel, etc.).

Strong Quality Control: Like other conventional food products, pet food faces several challenges in the market including quality issues which may lead to a recall. Such factors affect the image of brand owners. For this reason, brand owners prefer to work with the OEMs equipped with solid in-house quality control systems to ensure that there will be no quality problems with their productst and no product recall.

Versatile Manufacturing Capabilities: Brand owners with continuously expanding product portfolios require the OEMs with a diverse production capability to undertake mixed volume production runs (including customization). This implies a mix of high volume to low volume products, along with various pricing combinations (premium, medium, mass) and multiple packaging options. OEMs that can cater to such complex requirements from pet food brand owners will see stronger growth.

Cost Structure: The OEMs located in countries or regions with lower cost structures compared to Europe and North America will have growth opportunities in the pet food business. Entrepreneurs and brand owners are focusing on improving their own profit margins by outsourcing the production of pet food of all price ranges through OEMs.

Value-added Services: Manufacturers that provide value added services such as domestic and international transportation/logistics, and value-added services, joint product development or product innovation for brand owners, are also considered attractive business partners.

Based on the above factors, i-Tail is an OEM with significant advantages in the global pet food manufacturing sector. The Company is located in Thailand, with a cost competitive structure compared to Europe and North America. The Company can access to tuna sources, a key raw material, at a reasonable price. In addition, the Company has a strong R&D team and a quality control department to drive growth in the pet food market.

Source: Analysis from Frost & Sullivan

Factories and Capacity

We own and operate a manufacturing plant at 333 Moo 2 Karnjanavanich Road, Phawong Sub-district, Mueang Songkhla District, Songkhla Province in the southern region of Thailand, which was established in 1981. We also operate a manufacturing plant in Samut Sakhon Province in the central region of Thailand, which currently comprises two factory buildings, one of which is located at 30/24 Rama 2 Road, Tha Sai Sub-district, Mueang Samut Sakhon District, Samut Sakhon and is owned by us. We purchased this factory building from Thai Union Manufacturing (TUM), a subsidiary of Thai Union, as part of our business restructuring. The other factory building is located at 30/2 Setthakit Road, Tha Sai Sub-district, Mueang Samut Sakhon District, Samut Sakhon, and is leased from TUM for the production of pet food products.

We are in the process of constructing a new plant in the same area as our Samut Sakhon plant, which is expected to increase our total annual processing capacity by approximately 18.7%. The total project cost is expected to be THB 2.1 billion. The new plant is expected to be completed and to commence commercial production in Q2 of 2023. Upon completion of the construction, we plan to move the machinery and equipment from the leased building to the new plant.

The following table shows the processing capacity of pet food production of each plant by net weight of finished products:

	As of December 31,		
	2022	2021	2020
Songkhla plant	74,636.0	55,200.0	50,112.0
Samut Sakhon plant	98,150.0	72,314.6	56,606.2
Total annual capacity	172,786.0	127,514.6	106,718.2

(Tons)

The following table shows the capacity utilization rate of pet food production for each plant:

	For the Year Ending December 31,		
	2022	2021	2020
Songkhla plant	66.3	68.0	70.9
Samut Sakhon plant	78.4	92.7	99.5
Total capacity utilization rate	73.1	82.0	86.1

(Percentages)

Pending for Delivery Note

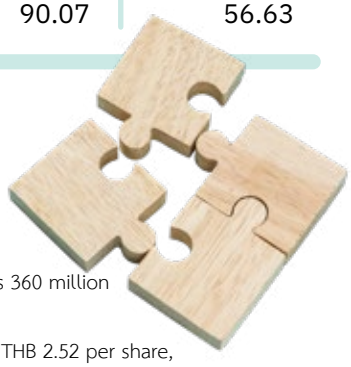
Group of companies not conducting high-value projects or businesses.

Dividend Policy

The Company's Dividend Policy

i-Tail's dividend policy is to pay at a rate of not less than 50 percent of the net profit each year. The Company has been able to pay dividends twice a year due to careful and efficient management and the ability to adapt to the changing business environment. This has helped the Company maintain a good level of net profit. In 2022 the Company paid a dividend of THB7,560 million at the rate of THB 2.52 per share (based on registered and paid-up share capital of 3,000 million shares of par value at THB 1 per share).

Details of Dividend Payments	2022	2021	2020
1. Net profit attributable to the owners of the parent (Million Baht) [1]	4,470.18	1,598.68	1,779.84
2. Earnings per share [1]	2.52 [2]	4.44 [3]	4.94 [3]
3. Total Dividend payment per shares (Baht: Share)	2.52 [4]	4.00 [3]	2.80 [3]
4. Total Dividend Amount (Million Baht)	7,560.00	1,440.00	1,008.00
5. Dividend Payout Ratio (%)	169.12 [4]	90.07	56.63



Remarks:

1. Financial information is based on the Audited Consolidated Financial Statements.
2. The calculation is based on the weighted average number of shares for the year 2022, which was 1,772.71 million shares of par value at 1 THB per share (consider more details under Section 3: Financial Report, topic "Financial Statements," note 31).
3. The calculation is based on the equivalent number of shares for the years 2020 and 2021, which was 360 million shares of par value at 1 THB per share (for comparison purposes).
4. The annual dividend for the year 2022 of THB 7,560 million (equivalent to dividend payment rate of THB 2.52 per share, which was calculated based on registered and paid-up share capital of 3,000 million shares of par value at THB 1 per share). The dividend payout ratio was 169.12%, which was divided into the dividend payment derived from retained earnings totaling THB 3,480 million at a dividend payout ratio of 77.85% and the dividend payment derived from net profit totaling THB 4,080 million at a dividend payout ratio of 91.27%.

Subsidiary's Dividend Policy

As for the subsidiary, the dividend payment will depend on the operating results and the need to use capital to expand the business in the future. However, if the subsidiary gain profit and there is no need to reserve capital for business expansion in that year, the dividend payment will remain at a rate of not less than 50 percent of the net profit according to the dividend policy.

In all cases, the dividend payments shall depend on cash flow, investment plans including future obligations of the Company and/or subsidiaries. The payments shall not exceed the retained earnings of the Company's financial statements nor significantly affect the Company and subsidiaries' ongoing operations.

Risk Management

Policy and Risk Management Framework

The Company understands the importance of risk management and commits to a continuous risk management process. The practice is in the same direction throughout its group of domestic and international companies to encourage good governance in business and investment operations, to build investor confidence, and to help the Company achieve its objectives and goals.

Risk Management Framework

The Company requires its group of companies to manage risks in business operations and investment according to the standard processes within the risk management framework. The framework consists of identifying and evaluating key risks affecting the achievement of the Company's objectives under strategic, financial, operational, and compliance risk management.

The Company's risk management framework includes the structure, role, and responsibilities; acceptable risk levels risk management process; reviews and improvement; information communication; reporting; and investment risk management to reduce the impact of risks or the likelihood of them affecting the strategies and business objectives of the Company.

Acceptable Risk Level

Acceptable risk level is determined by the management and is endorsed by the Chairman of the Executive Committee and the Risk Management Committee. Finally, it is approved by the Board of Directors to be an acceptable guideline for defining risk management measures of the Company. Risk mitigation is determined for higher risks than the acceptable level.

Risk Management Structure

The Company has an established definition of the risk management structure, roles, and responsibilities in risk management. The Board of Directors supervises the management to implement appropriate and effective risk management throughout the Company. The Risk Management Committee supervises and monitors the development of the risk management process in compliance with the risk management policy and framework and regularly reports on the significant risks of the Company Group. The Chief Executive Officer ensures that risk management is implemented appropriately and efficiently throughout the organization. The risk management department coordinates with relevant parties to take care of various risks and reports the results to the Risk Management Committee for acknowledgment, including supporting and providing guidelines in compliance with the framework and process of the risk management to the subsidiaries.

Risk Indicators

The Company evaluates changes in the internal and external environment that may affect the achievement of the Company's strategies and objectives. The evaluation includes the factors of new risks and the potential changes caused by such risks. The Company has established a risk management process, to monitor and report risks so the executives are aware of current and future risks. The Company has set the key risk indicators to monitor the risk factor tendency to help the Company prevent or reduce the risk impact in time.

Business Risk Factors

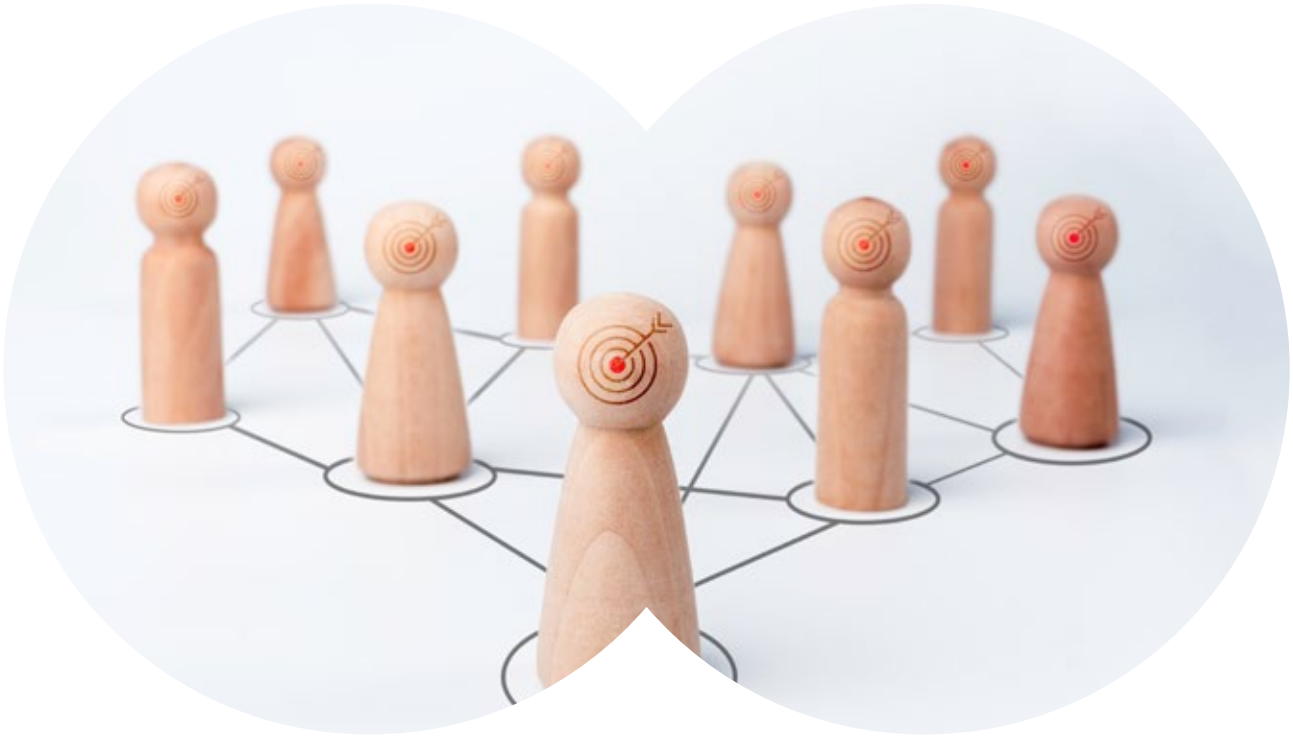
The Company operates the business of manufacturing and distributing pet food. Regarding possible risks and uncertainties, the Company has implemented various risk management measures to mitigate the impact and/or reduce the likelihood of facing risks. Risk factors can be beyond the Company's control, affecting the business operations, cash flow, operating results, financial position, and business opportunities. The risks can be divided into four groups as follows:

1. Strategic Risks

1.1 The Company's business relies on a number of key customers.

Explanation and effects

In 2022, the Company has revenue from selling products to the top three main customers at 46.6% of the total pro-forma revenue. The Company will enter supply or co-manufacturing contracts with customers at an agreed price in selling products to customers. If the Company cannot maintain the existing relationship with the current customers, especially the main customers, or if the Company cannot form alliances with new customers, these risks may affect business operations, performance, and business growth opportunities.



Risk Management and Mitigation

The Company plans to expand the market share of existing customers by increasing the variety of pet food products. The Company works closely with the OEM customers to develop and design products that meet the customer needs and specifications and present new product ideas. The Company introduces information about the latest technologies, market trends, and innovations. In addition, teams from different departments work together (Cross-Functional Team) to support customer engagement and strategic customer management to ensure comprehensive services and increase customer convenience and speed. The Company has sales and business supporting teams that can quickly respond to customer needs and maintain a good relationship with customers. For example, the sales and marketing team in the United States offers services in product development and product strategies to develop new products and manage logistics for customers to carry out their launch plans successfully. If customers want to develop new products with the Company, the Company may require such customers to enter contracts to set a minimum order quantity depending on the type of production technology the Company needs to invest in to develop such products. The investments in research and development and production technology align with business growth opportunities under the Company's risk management.

The Company is currently working with leading pet food brand owners and retailers in the United States, Europe, and Asia to adjust the customer base to be more diverse to mitigate the risk of relying on the Company's key customers.

1.2 Research and development is a key factor in the Company's success.

Explanation and effects

The Company finds continuous success partly depending on its ability to innovate and respond to the changes in consumer preferences, expectations, and needs. The Company has invested a great deal in research and development to improve its current products, develop new products, and invest in production technology and research and development (R&D). For example, an investment in a pilot plant in Samut Sakhon Province supports R&D in producing newly developed products in small quantities which, enables the Company to assist customers in developing new product samples and conducting market tests before receiving larger volume orders. At the same time, the Company can improve production processes before expanding production to larger scale. However, in case of unexpected events or the impossibility to meet the expectations, satisfaction, and customer needs on time, the impact may reduce competitiveness and affect the growth rate of the Company operations.

The Company also relies on research and development teams and the Global PetCare Innovation (GPCI) team, which consists of animal nutrition specialists, food scientists, and product technology specialists. The competition in the labor market for personnel with such skills is intense. If the Company cannot retain this group of personnel, the completion of the R&D projects may be delayed.

Risk Management and Mitigation

The Company uses the co-creation process in product development with a focus on product and technology development when working closely with customers. The co-creation process includes the development of effective formulations and processes through the GPCI team while the Company's research and development team is responsible for formulating, nutritional adjusting, studying alternative ingredients, displaying nutritional information, and providing customer assistance. At the same time, the business development innovation department offers insights and knowledge about the market and consumer, hypothesis testing, feasibility studies, and business models. Therefore, the Company is made aware of changes in the market and promptly respond to customer changing needs.

In addition, the Company has partnered with Thai Union's Global Innovation Center and many leading universities in Thailand, as well as taking advantage of the food innovation from the SPACE-F project. The SPACE-F project is a start-up incubator and accelerator. This program is a collaboration between Thai Union, the National Innovation Agency, and the Faculty of Science at Mahidol University to invent innovations, cutting-edge ideas, and production technology to help the Company strengthen its innovation process.

In 2022, the Company cooperated with business partners to set up "i-Cattery," an research and development center for testing the palatability of new cat food. i-Cattery helps the Company test products and better evaluate experimental cats' responses. Furthermore, our pilot plant can facilitate customers to develop new product prototypes in low-volume production. Pilot plant will enable the Company to produce new product trials quickly and efficiently without having to produce from the main production line, which requires large orders. These reduce risks affecting the Company's R&D success.

The Company implements a strategy that focuses on innovation and creating a culture of innovation by emphasizing human resource management, including recruitment, training, and retaining personnel. The Company recruits talented personnel to join the Company and has qualified personnel. The Company provides training and helps increase skills for personnel improvement and capability expansion to be ready for business operations and innovation. The Company is confident in having its personnel prepared to operate according to the defined strategic plan.

1.3 The pet food industry is a highly competitive industry.

Explanation and effects

The pet food industry is highly competitive and dynamic with customer requirements while industry standards change constantly. As for the contract manufacturing business, the Company must compete with other pet food manufacturers in Thailand and abroad. The business under our brands must compete with pet food distributors who sell products under our brands both in Thailand and overseas. The heightened competition in the pet food industry is due to an increase in pet food products and the entry of new pet food manufacturers and pet food distributors. The Company foresees that the competition in the pet food industry will continue.

Moreover, other manufacturers or distributors may attempt to gain market share by lowering prices which can affect the Company's competitiveness with other operators in the market.

Risk management and mitigation

The Company has been in the pet food business for more than 40 years and is widely accepted and recognized among OEM customers. The Company is an expert in the automated production process of wet pet food made of fish at the Company's two manufacturing plants. The Company provides contract manufacturing services with international quality standards and various products for basic and premium products, including food products and treats for cats and dogs made from high-quality raw materials. The Company's product portfolio is diversified to meet the needs of different customers. In addition, the Company always focuses on product and technology development under the method of developing existing products and introducing new innovative products to respond to the market trends and customer needs. The Company aims to differentiate its products from existing products in the market to have a competitive advantage.

The Company has long-standing business relationships with several key strategic clients. Most of the time, the Company is a contractor producing products for customers and becomes an essential part of the customer supply chain and a supporter of customer growth and business goals. The Company builds and maintains customer relationships through a marketing support team focusing on synergies between the Company and its customers through sales and communications across departments to build customer relationships and understand customer needs for various products and product categories. The Company provides our customers with a convenient and wholesome one-stop-shop service through our cross-functional sales and marketing teams which are spread out across our key markets and offer added convenience and localized expertise in supporting our customers across functions such as sales, procurement, logistics, quality control, and innovations. Customers typically prefer collaborating with large-scale suppliers like us to streamline and optimize their supply chains. As mentioned, the Company is highly competitive in the pet food industry.

The Company has solid strategic advantages in raw material procurement because the Company can leverage Thai Union's procurement and supply chain management capabilities, which belong to the Company's parent company. Therefore, the Company has an efficient cost structure and can sell products at competitive prices compared to other manufacturers.

2. Operational Risks

2.1 Fluctuations in raw material prices may affect the operation results.

Explanation and effects

The increase of raw material costs, mainly fish and chicken, could significantly impact the Company operating results. Generally, the Company purchases local seafood directly from local fishery suppliers while Thai Union's purchasing team procures imported seafood for the Company. The Company also buys materials directly from distributors. For the purchase of chicken raw material, the Company purchases directly from domestic chicken meat suppliers through purchase orders at negotiated prices. Prices of such raw materials may fluctuate according to market prices. The volatility of these raw material prices depends on factors beyond the Company's control, including market conditions, global demand, and raw material supply.

Changes in foreign exchange rates, customs duties, commodity prices, regional political conditions, economic conditions, or political situations may significantly increase transportation and raw material costs as well.

Risk Management and Mitigation

The Company plans to purchase raw materials according to the production plan. The Company prepares an annual raw material utilization plan to buy sufficient raw materials for production throughout the year. The Company's procurement department regularly monitors the market conditions of raw materials, especially fish. As a part of Thai Union, Thai Union's procurement team assists the Company in sourcing imported seafood and negotiating prices. Because tuna from several leading fishery operators comes in a total volume of combined orders among Thai Union Group, the Company therefore can take advantage of the large volume of Thai Union's purchases. Sufficient raw materials at reasonable prices under Thai Union's procurement and supply chain management capabilities give the Company a competitive advantage.

The Company mainly uses chicken raw material to produce pet foods and treats. Thailand is a major exporter of processed chicken meat; therefore, the Company can supply raw chicken consistently at a competitive price and has a competitive advantage in the pet food industry. In addition, the Company orders raw chicken from domestic raw material suppliers with the purchase volume and price as agreed. The delivery period of raw materials is between 6-12 months or according to short-term contracts. The long-term trading contract helps the Company better manage the cost of raw materials.

The Company sells pet food products and treats to customers under supply or co-manufacturing contracts. The customer must notify the Company about the order in advance so that the Company can determine the production plan and provide sufficient raw materials. In general, the Company will offer the exact price to the customer. Later, new prices will be negotiated quarterly, semi-annually, or annually to determine the selling price of products in demand. The Company will set product prices based on cost plus an appropriate margin (Cost-Plus Margin), allowing the Company to manage raw material costs in line with the specified selling price. If the Company's production costs have changed significantly, the Company may negotiate with customers to adjust product prices on a case-by-case basis over different periods. The practice of price determination and negotiation enables the Company to manage costs in line with the predetermined selling price and partly protects the Company from risks arising from fluctuations in raw material prices.

2.2 The Company operates in an industry with high demand for labor.

Explanation and effects

The Company's business requires a lot of labor and personnel in the production line. Our employees consist of both Thai and foreign workers. The Company foresees that the labor market is tighter and more competitive, which can prevent the Company from retaining its current workforce or providing enough labor for the production plan. Therefore, the Company is concerned about disruption or delays in production or delivery. The additional concern is the increase in labor costs due to salary increases, social security, and other welfare benefits. In October 2022, the Thai government announced the increase in minimum wage of the labor in Samut Sakhon and Songkhla to 353 baht per day and 340 baht per day respectively.

Risk Management and Mitigation

The Company has a human resource management policy as a guideline for recruiting, training, and retaining potential skilled workers with the expectation to make better production efficiency and have enough labor to meet the production demand. The Company's production process has adopted various production technologies —for example, conveyor systems for efficiency improvement of production processes, including filling and sealing processes. Moreover, the Company plans to install an automated storage and retrieval system (ASRS) and automatic labelling and casing machines. The Company aims to continuously increase automation in its production processes to increase productivity and reduce dependence on labor.

When the Company wants to determine the production plan and provide resources, including workers, machines, and raw materials, to meet customer needs, the sales teams will work closely with customers. Customers must notify the Company in advance about their orders, then the production department will work with the HR department to plan the workforce and prepare sufficient employees for production. In some periods, due to the high number of orders from customers and temporary labor shortage, the Company will add overtime hours to current workers to compensate for the lack of workers. Under effective human resource management in 2022, the Company was able to operate smoothly with enough labor to meet the production demand.

The Company has adopted an ethical migrant recruitment policy to ensure that our migrant workers have migrated safely and are not being exploited unfairly. Since 2022, the Company has hired migrant workers under the Employer Principal Pay, so the migrant workers are not required to pay any fee to get a job. The Company covers all labor recruitment costs, commission, work clothes and equipment, training costs, travel expenses in Thailand, health check-up fees, work permit fees, visa and passport fees, including travel expenses from the home country to the Company. The principal, as mentioned, indirectly benefits the Company in attracting talented foreign workers to be employees in the Company's production line.

2.3 The Company's capabilities in maintaining product quality and safety to meet international legal standards.

Explanation and effects

The Company is obligated to comply with various laws relating to safety in the pet food production in Thailand and other countries where we sell our products. The Company also complies with the quality standards regarding the standard practices, laws, and regulations, which our complex and changeable. Selling pet food products that do not meet applicable safety standards, laws, or regulations may result in the Company being prosecuted and thus affecting the confidence in the product safety and quality and the customers' purchasing decision. If the Company's products are contaminated or adulterated, or the trademark is stolen for illegal uses, the Company may not be able to distribute our products or is forced to recall products that have already been sold.

Risk Management and Mitigation

The Company pays attention to product quality by carrying out strict quality control measures. The Company uses an efficient quality control system in every operational step, including procurement, quality inspection of raw materials, storage, production, and delivery. There are sampling and inspection of work in progress and finished products. The Company is certified that we operate under quality standards such as Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP) standards by the Department of Livestock Development and BRC Global Standard for Food Safety by the British Retail Consortium, international product standards by the Association of American Feed Control Officials (AAFCO), the European Pet Food Industry Federation (FEDIAF), and the Pet Food Industry Association of Australia (PFIAA). Our quality control does not focus solely on the production process, but it also prioritizes the procurement of raw materials. There is a process to recruit distributors who meet quality and safety standards and cooperate with suppliers to improve and develop the quality of raw materials.

The personnel of the Company's quality control and assurance department are trained and/or certified by a relevant program of quality and control standard systems such as GMP and HACCP standards to have knowledge and understanding to effectively conduct quality and safety inspections.

In addition, the Company has a rigorous product withdrawal and recall procedure to ensure that it will be able to recall substandard products, unsafe-for-consumption products, or rejected products by the customer if our products do not meet the standards. For example, the Company recalls harmful foreign substances in the product or a non-compliance label with the destination country's regulations from retail locations and may recall all products on the market. The Company conducts simulated recall testing and product traceability at least twice a year to ensure that our employees understand the product withdrawal and recall procedure to operate efficiently according to our standards.

2.4 The Company is unable to manage the supply chain properly or deliver products to customers on time.

Explanation and effects

The Company's business requires a tight production plan. If the Company cannot deliver its goods on time, it will affect customer relations, and result in the increase of shipping costs, the loss of sales opportunities, or the delay of sales. To deliver products on schedule to customers, the Company needs to maintain sufficient product inventory, especially raw materials from international suppliers which the Company orders regularly while evaluating the quantity of inventory and estimated orders from customers.

Regarding the disruption of the global supply chain or logistics industry and logistics problems related to a shortage of trucks, containers, and shippers, the risks of a possible delay in the procurement of raw materials from suppliers and in product delivery to the customers may result in the increase of transportation costs. The current economic recovery results in increased demand for various products worldwide, causing a temporary shortage of containers, delayed delivery, and increased transportation costs. The increase in transportation costs can cause an increase in the price of imported raw materials, which eventually affects the price of the Company's products and the costs of transportation for export. If the Company cannot deliver quality products to customers on time, it may cause its products to lose their competitiveness. Any delayed deliveries or higher product prices can affect customer relationships, resulting in lower sales and net profit.

Risk Management and Mitigation

The Company procures seafood raw materials, land-based raw materials, other ingredients, and packaging materials from many domestic and international suppliers. The Company has established good relationships with these suppliers for a long time. Thai Union's purchasing department helps source imported seafood from overseas to be sufficient for the Company production plan. The Company has never had problems with raw material procurement or inventory management due to the estimation of future sales and demand for raw materials. Also, the Company has a policy to reserve sufficient raw materials for two-to-three months of production. However, if our raw material suppliers cannot procure the materials on time or cannot supply the materials according to specifications, the Company may collaborate with customers to consider purchasing raw materials from other suppliers in order to be able to deliver on time.

To deliver products to customers under the condition that the Company is not responsible for transportation costs (Free on Board basis or FOB), the customer will specify the proper delivery time while the planning and production departments plan the production and product delivery as specified by the customer. In addition, if the sales terms specify that the Company bears the transportation costs (Cost and Freight basis or CFR) or the transportation expenses and insurance (Cost, Insurance, and Freight basis or CIF) to the designated destination, the Company will use shared services from the logistics department of Thai Union's subsidiary with a team specialising in logistics management in finding trucks, containers, and shippers. The delivery work includes the planning, production, and warehouse departments to ensure that production and export processes can be carried out under agreements noted in the customer's order.

2.5 Disruption or failure of the Company's information technology systems or cyber threats.

Explanation and effects

The Company relies on the efficiency, credibility, and security of its information technology systems to conduct business in all main departments. Disruption or failure of the information technology systems on the operations in sales and marketing, procurement, research and development, production, finance, and general administration may impact our inability to deliver products to customers and may cause additional expenses. Furthermore, cyber threats are becoming more sophisticated with more ways to attack, especially the risk of illegal access or misuse of information. Cyber threats lead to the damage of sensitive and confidential information, which will harm the Company's reputation and confidence in customers, investors, and stakeholders, resulting in expenses or fines.

Risk Management and Mitigation

The Company understands the importance of the availability of information technology systems and cyber security governance including the IT security across all levels — from governance, structure, policy, technology, personnel, and processes. The Company uses a shared service from Thai Union's information technology team, whose experts can control, supervise, and develop information technology systems for the Company. Thai Union has put measures in place to limit risks related to information technology systems and cyber security by establishing a cyber security agency to determine the strategic direction of information technology security, systems, and data protection. The Risk Management Program of Information Technology aims to improve the overall security and infrastructure, as well as promote awareness and provide training for employees in all departments.

In addition, Thai Union has established a framework to respond to cyber threats by investing in information technology security at various levels, including devices, applications, and networks. This framework includes conducting robust monitoring of information technology security anytime and anywhere. Moreover, Thai Union has developed a disaster recovery plan for essential applications to handle urgent matters, allowing users to work continuously through a backup system. A plan to deal with cyber threats has been developed with regular rehearsals to prevent business disruption.

Thai Union is currently planning to establish a center for security operations. The goal is to conduct a 24-hour security monitoring of the entire group in 2023, providing security for the Company's information technology systems.

3. Financial Risks

3.1 Fluctuations in foreign exchange rates

Explanation and effects

The Company uses Thai Baht for financial reporting and operations, as shown in its pro-forma consolidated financial information. Most of the Company revenues are denominated in US dollars while some of the costs of raw materials, ingredients, and packaging that the Company imports are denominated in US dollars. The foreign currency trading transactions have been calculated in Thai Baht by referring to the exchange rates at the transaction date and recorded accordingly in the Company's consolidated financial information. Therefore, the fluctuations of the relevant foreign currencies in comparison with the Thai Baht may affect the product prices, the costs of importing raw materials, operating results, and cash flow, which can be either positive (FOREX gain) or negative (FOREX loss), depending on the exchange rates that change according to the market conditions.

Risk Management and Mitigation

The Company has set a financial and treasury management policy by cautiously managing risks. We do not intend to speculate on the exchange rates. The risk management of exchange rate volatility is supervised by the finance and treasury team, who specializes in using financial tools to manage exchange rates. The Company manages the exchange rates arising from trade by allocating income and expenses in the same currency and using derivative financial instruments deemed appropriate such as foreign exchange forward contracts to maintain the target gross profit margin. In consideration of risk hedging, the Company estimates its overall risks and determines the proportion of foreign exchange risk hedging to be manageable with efficiency and effectiveness.

4. Legal and regulatory risks

4.1 Compliance with laws and regulations on the environment, occupational health, and safety, and fair employment

Explanation and effects

The Company and raw material suppliers must comply with various laws related to the environment, occupational health and safety, and fair employment. The compliance includes laws about fisheries and safety in the workplace. Also, the keeping of laws covers the use, handling, treatment, storage, release, and disposal of toxic and hazardous wastes used in or generated by the Company's production processes. In addition, such laws and regulations may be complex and subject to change which may cause the Company and its raw material suppliers liable for the actions or effects arising from the Company's operations. The Company needs resources and management to comply with related laws and regulations. We will continue doing this to comply with the laws of Thailand and other countries in which our products are sold. It is also likely that the Company and its raw material suppliers will have to comply with more stringent environmental standards in the future.

If the Company fails to comply with the applicable relevant laws and regulations in the country where we operate, or the local regulators deem that our operational measures are inadequate, the Company may be liable for various actions and notified by relevant authorities, resulting in complaints, fines and/or criminal penalties, etc. These negative consequences may affect the reputation and the performance of the Company.

Risk Management and Mitigation

The Company can effectively comply with applicable regulations regarding Thailand's manufacturing and distributing companies and those exporting products to many countries by establishing a team that studies and monitors environmental regulations, occupational health and safety, fisheries laws, and other relevant laws in each country to ensure the Company's compliance with the regulations and the law.

In addition, the Company has organized training for relevant employees so they understand and comply with various requirements. The Company recognizes safe and legal employment and establish a human resource management policy on fairness in recruiting and developing personnel, continuous training, and suitable compensation for their knowledge and abilities. The Company has fair treatment guidelines for labor, such as no violation of human rights, fair employment conditions, safety at work, etc.

The Company's supervision on the compliance with such laws covers the business operations of suppliers. The Company; therefore, focuses on to doing business with raw material suppliers who comply with various laws and regulations relating to the environment, occupational health and safety, business ethics, and fair treatment of labor. In addition, the Company has set the Supplier Code of Conduct and Vessel Code of Conduct. Raw material suppliers of aquatic animals must comply with the requirements of labor and ethical standards for legitimate business operations and fair treatment of workers who work on fishing vessels.

The Company has spent additional operating and capital expenditures for the environment and safety to ensure compliance with the environment, occupational health, safety laws and regulations, and other related regulations, such as a wastewater treatment system before releasing water to the community, carbon-dioxide emission reduction projects, waste reduction projects in the production process, guidelines for preventing COVID-19, etc. Regarding safety and occupational health in the workplace, the Company has established clear work procedures and policies to avoid workplace mistakes or accidents, strengthen work safety, and promote good hygiene practices.

4.2 Maintaining or renewing licenses, permits, letters of authorization, and the necessary governmental approvals

Explanation and effects

Our business is subject to various regulations and supervision of Thailand and local government agencies, including the Department of Livestock Development, the Department of Fisheries, the Department of Industrial Works, and the Office of the Board of Investment, all of which define the scope of our business, including the requirements for licenses, permits, and the necessary governmental approvals for business operations. The Company is required to obtain licenses and renew them, request permits or approvals from local governments, including licenses to operate factory business that include manufacturing, importing and distributing animal feed. The Company must follow standards for good hygiene management in the workplace (Good Manufacturing Practice) and standards for hazard analysis and critical control points system. If the Company cannot comply with all conditions of the licenses, the permits and approvals for its important business that come with the certain authorization may be revoked or the Company may be prosecuted. These consequences may disrupt our business and affect our reputation and future opportunities.

Risk Management and Mitigation

The Company is aware of the obligations to comply with the rules and regulations of various regulatory agencies. The Company has set up a data recording process and operational inspection to ensure that all practices meet the compliance standards correspondence with legal regulations. The Company has a government affairs department responsible for coordinating with various government agencies such as the Department of Livestock Development, the Department of Fisheries, the Department of Industrial Works, and other agencies, to request and renew necessary licenses such as licenses to manufacture, to import, to sell animal feed, etc. The government affairs department also organizes training for relevant employees to gain knowledge and understanding so they comply with the related laws. This department also designs various operational procedures according to the requirements of government agencies.

According to the current normal business practices, the Company is ready to be inspected by the government agencies, private agencies, and customer representatives. We can handle inspections at the factory and production processes as requested by customers. In conclusion, the Company has clear guidelines to maintain consistent production standards to reduce the risk of temporary or permanent license revocation.

Emerging Risks

Ocean Plastic

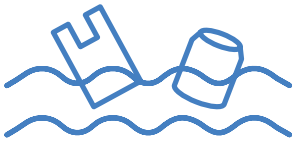
Explanation and possible effects

Ocean plastic has been a significant global issue under the consideration of different parties in the past few years. This issue has created concern for everyone, not only our customers, consumers, and stakeholders. The Company has been paying attention to this matter as well.

Ocean plastic can affect our operations in the following ways:

- Impacts on marine ecosystem. The decreasing number of fish can lead to an insufficient global seafood supply. More intense competition resulting in raw material procurement will raise the volatility of raw material prices.
- When consumers become more concerned about plastic waste, the decision could be to buy products that do not use plastic packaging. The consumer/customer behaviors can affect our sales.
- New laws and regulations on plastic packaging may result in changing packaging designs by the Company.

Risk Type:
Environment



Source of Risk:
Macro Economy
(Ocean Plastic)

Period of Effect:
3-5 years

Risk Management and Mitigation

The Company adopts Thai Union's SeaChange® strategy in our business operations by setting the goal of making recyclable or compostable packaging for our own brand products by 2025. The Company has partnered with Thai Union's Global Innovation Center to develop packaging that meets sustainability requirements. This approach is applied to all packaging formats from flexibles and pouches to rigid containers such as plastic cups, and metal and aluminum cans.

Investment risks affecting securities holders

The Company's share price based on the market price may yield the volatile and uncertain return to the investors.

The Company's share price depends on the trading situation of the stock market. The share price can be volatile due to many factors, which are beyond the control of the Company, as follows:

- Economic and political situations at the global, regional, or national levels.
- Stock market conditions in general, including the volatility of stock prices in the stock market.
- Market conditions of the pet food industry in Thailand and worldwide and business opportunities of the Company and the industry.
- The volatility of the Company's performance, either actual or anticipated.
- The discrepancy between the Company's financial performance and actual performance, the anticipation of the performance by investors and analysts, analysts' opinions on the industry.
- Liquidity of the Company shares traded on the stock market.
- Changes their impacts on the financial industry, general economic conditions, and stock market conditions. Changes include other events or factors that affect the Company or the pet food industry.
- Fluctuations of exchange rates, interest rates, including market prices of debt and equity securities.
- Changes in market evaluation methods and share prices of listed companies in similar businesses.

These factors may result in significant fluctuations in the Company's share price and trading demand. They may affect the liquidity of the Company shares or discourage the investors from trading them whenever they want.

Investment risks in foreign securities (in case of foreign private issuers).

No significant risk.

Business Drive for Sustainability

Sustainability Management Policy and Goals

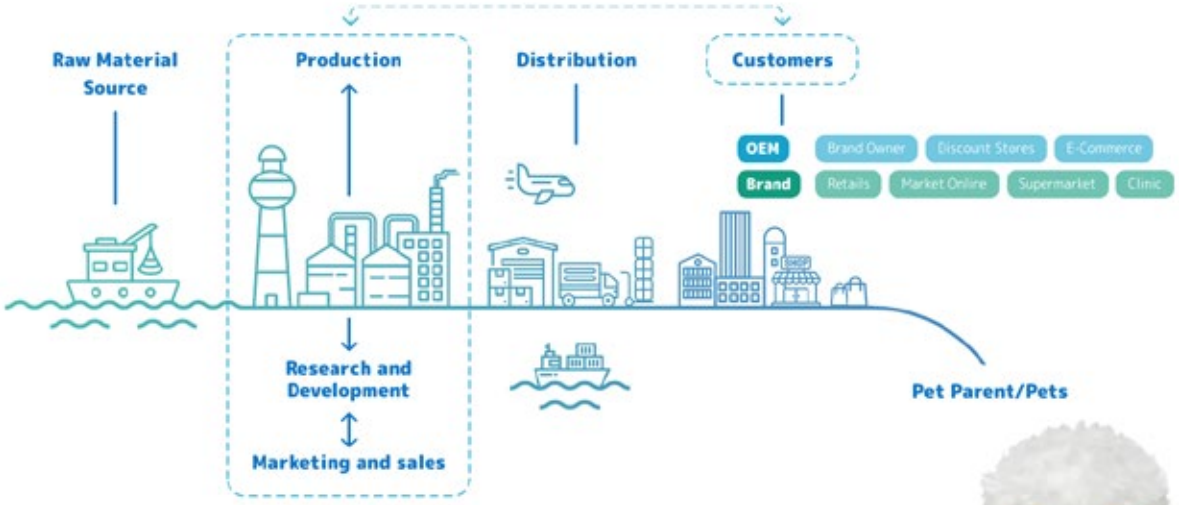
The Company has a policy to conduct business in accordance with the sustainability development guidelines. Recognizing the importance of Environmental, Social, and Governance (ESG), the Company has embraced and adopted Thai Union's global sustainability strategy that aims to drive meaningful improvements across the entire global seafood industry. This strategy focuses on safe and legal labor, responsible operations, and responsible sourcing, as well as being responsible for the well-being of people and communities. The Company has set a policy of responsibility for the environment, society and corporate governance. The details are as follows:

1) Fair business operations
   (1) Corporate governance
   (2) Social responsibility
   (3) Supervision of compliance with laws, rules, and regulations
   (4) Supervision of compliance with the intellectual property act
   (5) Promotion of efficient use of resources
2) Anti-fraud and corruption
3) Respect for human rights
4) Fair labor practices
   (1) Labor without violating human rights
   (2) Recruitment
   (3) Compensation
   (4) Personnel training and development
   (5) Health and safety at work
   (6) Negotiation
5) Responsibility for customers and consumers
6) Environmental preservation
7) Participation in community or social development
8) Innovation and dissemination of innovations derived from socially responsible operations, environment, and stakeholders
9) Social report preparation

Managing the impact on stakeholders in the business value chain (value chain)

Business Value Chain

The Company always placed importance on the treatment of stakeholders by implementing an operational approach that considers stakeholders throughout the business value chain, from upstream to downstream. This approach encompasses the raw material procurement process, production process, storage and delivery, marketing and sales, as well as customer service, with the aim to deliver high quality products that promote pet health. The Company strives to improve the quality of life and the environment for all stakeholders along the business value chain. The main activities within our business value chain can be summarized as follows:



Procurement of Raw Materials

One of the primary raw materials of pet food is imported tuna and other primary raw materials, such as chicken raw material and sardines, can be procured domestically. The procurement team is experienced and skilled in selecting quality raw materials. The Company purchases raw materials from various suppliers to ensure sufficient materials for its production and comparing the offered price for a compare price

The Company places great importance on responsible sourcing, with a focus on ensuring the traceability of the supply chain. Additionally, the Company values equal and fair treatment of its partners, ensuring a procurement process that includes fair trade conditions, and complete and accurate information. The Company strictly adheres to the contractual agreements and closely monitors and evaluates its business partners to work toward sustainable business operations in collaboration with all stakeholders.

Production

The Company is committed to continually improving the efficiency of its production process through the design of processes to facilitate the increased production potential. The Company recognizes that employees are the key to the production process; therefore, the Company prioritizes the development of employee skills to ensure readiness and efficient work performance. The Company also places a strong emphasis on human rights, safety, and occupational health, as well as promoting fairness among all employees.

Additionally, the Company is planning to increase its production capacity by investing in automation and developing new production processes to further improve the efficiency of the production process.

Quality Control

The Company places great emphasis on the quality and safety of the production in accordance with the international standards. This is achieved through quality testing and control throughout the supply chain— from receiving raw materials to production, packing, and preparation for delivery to the customers. The Company ensures that every production process follows the established policies and standards. The Company has been certified for quality and safety by various agencies, demonstrating compliance with rules, regulations, and laws related to the quality management system, as well as meeting the international standards.

Storage and Delivery

The Company utilizes automated warehouse management systems to maintain the accuracy of inventory level and maximize space utilization. The storage location is maintained in a suitable condition to preserve the quality of raw materials. This ensures that there is sufficient availability of raw materials in inventory for production, ready to be delivered as finished products to the customers.

The Company utilizes information technology systems in the production planning process and product delivery, both domestically and internationally. This ensures that the product is delivered to the customers within the specified time while the Company can maintain the product quality and minimize the risk of product damage during transportation. This systematic workflow enhances operational efficiency, enabling the Company to meet customer requirements and increase overall satisfaction.

Marketing and Sales

The Company has a strong focus on continuous research and development of nutritional innovations for pet food. Studies and research are conducted on the nutritional information of various raw materials to develop nutritional formulas suitable for pets of different ages. The production processes and packaging are also developed to create innovative and unique products that provide sustainability and competitive advantages.

The team at the Global PetCare Innovation Center collaborates closely with customers to create new and innovative products that cater to their needs in a highly efficient and effective manner. The ultimate goal is to promote the pets' healthiest lives.

Apart from producing and delivering quality products to customers, the Company also focuses on providing services, which include offering advice and promptly resolving issues for customers before and after sales. As a result, the Company has maintained good long-term relationships with customers. Additionally, the Company listens to customer opinions and suggestions to improve its product development and services, which leads to greater customer satisfaction.

Stakeholder Analysis in the Business Value Chain

The Company has classified our internal and external stakeholders that are related to the business value chain as well as established guidelines for meeting their expectations as follows:

Stakeholders	Stakeholder Expectations	Responses to Stakeholder Expectations
Internal Stakeholders		
Investors	• Transparent operations and good corporate governance • Fair and equitable treatment of shareholders • Provide accurate, complete, and punctual disclosure of the Company's information • Ensure the sustainable business that is Stable and continuously growing with strong operational performance	• Transparency, fairness, and verifiability of corporate governance • Establishment of clear policies for corporate governance and business ethics, serving as a practical guideline for directors, executives, and employees • Provision of multiple communication channels, such as the Company's website and post, for addressing and resolving corporate governance issues • Investor meetings and roadshow activities to communicate strategies and update company performance
Employees	• Fair compensation and benefits. • Fair labor practices • Safety and wellness • Continual development of knowledge, skills, and abilities • Career advancement opportunities and work-life balance	• Determine appropriate and fair compensation and welfare comparable to other companies in the same industry and is not less than the legal requirements, by using appropriate evaluation principles and performance indicators • Treat employees with equality and respect for human rights, and provide complaint channels for employees who are unfairly treated through the Company's website, suggestion boxes, etc. • Organize an appropriate work environment and a safe workplace • Define a development plan to increase employees' potential, communicate with employees • Organize activities for the executives to meet the employees, listen to their opinions and complaints, and create bonds within the organization

Stakeholders	Stakeholder Expectations	Responses to Stakeholder Expectations
External Stakeholders		
Customers	• Ensure that the product quality adheres to the accepted standards and is safe for consumers. • Develop products that fully meet the customer needs. • Set reasonable prices and fair conditions for customers. • Ensure timely delivery of products to customers. • Maintain customer confidentiality and protect their personal information.	• Maintain the product quality according to the international standards. • Explore alternative raw materials, production processes, and new innovations to create unique products. • Collaborate with customers in product research and development to meet their requirements. • Continuously improve production processes to increase operational efficiency and enable reasonable pricing. • Ensure efficient production planning. • Properly manage confidential information of customers. • Invite customers to visit the production plants. • Conduct customer satisfaction surveys to improve the work process.
Pets and Pet Owners	• The product quality and safety are in accordance with the accepted standards. • Reasonable pricing	• Design products that meet consumer needs. • Accredit for the quality systems according to the international standards. • Completely disclose product label information. • Organize activities with pet owners and attend per fair.
Suppliers	• Fair trade • Consistently increasing orders based on company performance • Complete and timely payments • Business ethics and strictly compliance with trade conditions and contractual agreements	• Equal evaluation and selection process for new suppliers • Responsible sourcing of raw materials and packaging in accordance with sustainability and human rights standards • Strict adherence to business ethics • Regularly conduct supplier evaluations to improve partnership operations • Effective payment systems for complete and timely payments • Strict adherence to the agreements made with business partners

Stakeholders	Stakeholder Expectations	Responses to Stakeholder Expectations
External Stakeholders		
Competitors	• Conduct business with transparency and compete fairly.	• Comply with good competition rules and laws with transparency. • Do not seek competitive confidential information by dishonest means. • Maintain business ethics.
Community, Society, and Environment	• Responsible for community, society, and environment. • Solve problems and mitigate impacts caused by the Company's operations in a timely manner. • Participate and listen to the opinions of nearby communities and society.	• Strictly comply with environmental laws and regulations. • Develop and implement social responsibility activities and initiatives. • Participate in community and social events to support local areas. • Prevent, manage, and mitigate any negative impact on the environment and community caused by the Company's operations. • Establish channels for feedback and complaints to address concerns and opinions from the community and society.
Government Agencies	• Comply with laws, rules, and regulations. • Cooperate with government agencies.	• Cooperate with government agencies in visiting and inspecting factories. • Participate in meetings, trainings, and seminars organized by government agencies.

Environmental Sustainability Management

Environmental Policies and Practices

The Company is committed to minimizing its impact on the environment and operates our business with consideration for environmental sustainability. The Company aims to reduce the use of natural resources and promote efficient use while also avoiding any harm to the environment. This commitment is reflected in the Company's strategy and action plan and is aligned with the expectations of stakeholders.

The Company has implemented various projects on its premises to reduce water and energy consumption, increase the use of renewable energy, minimize waste to landfill, reduce greenhouse gas emissions, and enhance the environmental performance of packaging. The specific details of these initiatives are as follows:

(1) The Company prioritizes efficient use of resources and takes proactive actions to combat climate change, with the goal of reducing greenhouse gas emissions in accordance with the Science Based Targets (SBT) guidelines aiming at limiting the rise of global temperature to not more than 1.5°C. This includes increasing energy efficiency, optimizing water use, and encouraging the use of more renewable energy sources.

(2) The Company recognizes the significant impact of waste and garbage on the environment and actively encourages employees to participate in creating operational processes that minimize waste generation, landfill waste, and food waste.

(3) The Company is committed to reducing its environmental impact by supporting research on sustainable packaging innovation. It has initiated the development and use of environmental-friendly packaging materials, which are reusable, recyclable biodegradable, and minimize waste generation.

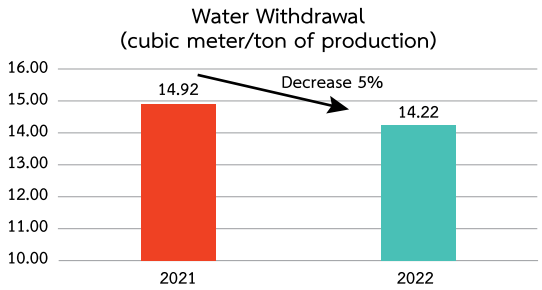
The Company aims to make all our branded packaging reusable, recyclable, or compostable by 2025. Additionally, the Company has committed to ensuring that 30% of the raw materials used in our branded packaging are made from recycled materials.

Environmental Performance

Climate Change in Action

As a member of the society, the Company is committed to being part of the Thai Union Group's fight against climate change. We have submitted a commitment letter to the Science Based Targets Initiative to set science-based targets (SBTs).

The Company is fully committed to reducing greenhouse gas emissions in its factories as part of its efforts to combat climate change. In addition to improving its production efficiency and equipment, the Company is exploring ways to increase the use of alternative energy and transitioning to technologies with lower greenhouse gas emissions. Major projects include installing solar panels, transitioning from fossil fuel forklifts to electric forklifts, and phasing out coal for steam production. The ultimate goal is to completely eliminate the use of coal by 2025.



Water Resource

The Company is continuously aware of the risk of water scarcity and its impact on the communities in the area where its factories are located. The Company has taken actions to reduce water use and increase the proportion of wastewater utilization through water reuse and recirculation while maintaining strict food safety control. In 2022, the Company's water withdrawal rate per ton of production was down 5% compared to the rate in 2021.

In 2022, the Company's plant in Songkhla Province collected around 75,041 cubic meters of rainwater and sourced additional water from surface water sources. This was achieved through the construction of a water storage pond with a capacity of 50,000 cubic meters, as well as through the reuse of treated wastewater (reclaimed water) in the amount of 259,399 cubic meters and the implementation of a recirculating water system for disinfection (recirculated water) with a capacity of 199,590 cubic meters. These measures enabled the factory to reduce its use of municipal water and groundwater by 38.2%, thereby alleviating the burden on the water supply of the local community.

Waste

The Company are also dedicated to reducing the amount of waste from its production processes that end up in landfills. In 2022, the Company's factory in Songkhla Province achieved Zero Waste to Landfill[1] status. This was the result of several initiatives, including waste separation for recycling and waste utilization projects, such as using ashes from boilers as raw materials for making concrete and turning sludge from wastewater treatment into fertilizer for soil enrichment.

The Company is actively promoting the use of renewable energy at its factory in Songkhla Province by introducing biomass boilers that utilize wood pellet as fuel for steam production, thus reducing greenhouse gas emissions by over 12,840 tons of CO_2 equivalents annually. This initiative has also resulted in cost savings of approximately THB 28.9 million per year. In 2022, the Company increased its consumption of wood pellet by 13% in response to the 14% increase in its steam consumption, and it continues to promote higher utilization of wood pallet. Additionally, the Company plans to invest in new biomass steam boilers in Q3 2024, with expected completion in Q2 2025.

(1) The Zero Waste to Landfill status was certified by Eurofins Scientific and Carbon Trust.

The Company is currently studying and implementing various projects, including:

1. Scada systems to monitor steam usage and air plan for steam savings
2. Monitoring for leaks and reduction of compressed consumption
3. Reducing steam consumption by lowering steam pressure at the source
4. Installing inverters in some production areas to reduce electricity consumption
5. Replacing induction with PASMA to reduce electricity consumption
6. Using high-efficiency blowers to reduce electricity consumption
7. Switching to LED bulbs that consume less energy to reduce electricity consumption
8. Installing additional 4.5 MW solar panels

Environmental Performance

Indicators	Unit	2022	2021	2020 (1)
Total production	tons	128,840	112,973	50,920
Greenhouse Gas Emissions				
Total greenhouse gas emission intensity	tons of CO_2 equivalents/tons of production	0.52	0.57	0.43
Total greenhouse gas emissions (2)	tons of CO_2 equivalents	67,585	64,253	21,781
Scope 1 greenhouse gas emissions (2)	tons of CO_2 equivalents	42,376	39,625	9,134
Scope 2 greenhouse gas emissions	tons of CO_2 equivalents	25,209	24,628	12,647
Energy Consumption within the Organization (2)				
Total energy intensity (2)	gigajoules/tons of production	6.71	6.41	6.19
Total energy consumption (2)	gigajoules	865,066	724,535	315,257
Total direct energy use (2)	gigajoules	683,528	547,177	224,180
Non-renewable energy	gigajoules	385,111	389,855	82,117
Fuel oil (2)	gigajoules	76,113	57,802	73,726
Biodiesel (B7) (2)	gigajoules	12,774	4,503	8,181
Biodiesel (B10) (2)	gigajoules	-	8,480	-
Liquefied Petroleum Gas (LPG) (2)	gigajoules	952	4,140	210

Environmental Performance (continued)

Indicators	Unit	2022	2021	2020 [1]
Energy Consumption within the Organization				
Coal	gigajoules	295,272	314,930	-
Renewable energy	gigajoules	298,417	157,322	142,064
Biogas [2]	gigajoules	9,568	6,105	-
Pellet fuel [2]	gigajoules	196,128	146,856	136,940
Wood [2]	gigajoules	88,000	-	-
Solar energy [2]	gigajoules	4,721	4,361	5,123
Total indirect energy consumption (electricity)	gigajoules	181,538	177,358	91,077
Water Management				
Intensity of water use	cubic meters/tons of production	3.69	4.15	8.38
Water Withdrawal from All Areas and Areas with Water Stress [2], [3]				
Water withdrawal (TDS ≤ 1,000 mg/l) [2], [3]	cubic meters	1,485,188	1,433,596	588,039
Municipal water [4]	cubic meters	626,694	631,066	-
Municipal water from the surface [4]	cubic meters	626,694	631,066	-
Surface water [2]	cubic meters	540,485	537,595	550,133
Ground water [2]	cubic meters	242,968	213,581	-
Rainwater collected by organization [2]	cubic meters	75,041	51,354	37,906
Water withdrawal (TDS > 1,000 mg/l) [2], [3]	cubic meters	-	-	-
Surface water [2]	cubic meters	-	-	-
Groundwater [2]	cubic meters	-	-	-
Sea water [2]	cubic meters	-	-	-
Total water withdrawal [2], [3]	cubic meters	1,485,188	1,433,596	588,039

Environmental Performance (continued)

Indicators	Unit	2022	2021	2020 [1]
Water Discharge to All Areas and Areas with Water Stress [2], [3]				
Water discharged to the outside [2], [3]	cubic meters	1,009,488	964,604	161,147
Surface water [2]	cubic meters	1,009,488	964,604	161,147
Groundwater [2]	cubic meters	-	-	-
Sea water [2]	cubic meters	-	-	-
Other organizations [2]	cubic meters	-	-	-
Water discharged to the outside (TDS ≤ 1,000 mg/l) [2], [3]	cubic meters	1,009,488	964,604	161,147
Water discharged to the outside (TDS > 1,000 mg/l) [2], [3]	cubic meters	-	-	-
Reclaimed water [2]	cubic meters	303,967	257,651	210,564
Total water consumption	cubic meters	475,700	468,992	426,892
Waste Management [2]				
Intensity of landfill waste [2]	kilograms/ tons of production	11.99	8.34	6.51
All landfilled waste [2]	kilograms	1,544,950	941,773	331,600
Waste Diverted from Disposal [2]				
Non-Hazardous Waste [2]				
Reusing [2]	kilograms	1,986,185	1,556,461	1,842,553
Recycling [2]	kilograms	697,618	248,540	231,930
Composting [2]	kilograms	1,772,600	1,536,040	1,197,790
Total [2]	kilograms	4,456,403	3,341,041	3,272,273

Environmental Performance (continued)

Indicators	Unit	2022	2021	2020 (1)
Waste Diverted from Disposal (2)				
Hazardous Waste (2)				
Reusing (2)	kilograms	6,890	5,426	2,382
Recycling (2)	kilograms	28,821	6,917	2,094
Composting (2)	kilograms	-	-	-
Total (2)	kilograms	35,711	12,343	4,476
Total waste diverted from disposal (2)	kilograms	4,492,114	3,353,385	3,276,749
Waste Directed to Disposal (2)				
Non-Hazardous Waste (2)				
Incineration with energy recovery (2)	kilograms	311,074	183,100	6,690
Incineration without energy recovery (i.e. mass burn) (2)	kilograms	-	-	-
Landfill (2)	kilograms	1,544,950	759,296	331,600
Total (2)	kilograms	1,856,024	942,396	338,290
Hazardous Waste (2)				
Incineration with energy recovery (2)	kilograms	13,250	1,370	-
Incineration without energy recovery (i.e. mass burn) (2)	kilograms	-	8,108	4,200
Landfill (2)	kilograms	-	182,477	-
Total (2)	kilograms	13,250	191,955	4,200
Total waste directly disposed (2)	kilograms	1,869,274	1,134,351	342,490

Note:

(1) 2020 data consisted of human food and pet food production in the Songkhla factory. 2021 and 2022 data consisted of 1) human and pet food production in the Songkhla factory, and 2) pet food production in the Samut Sakhon factories.

(2) Not including performance data for production line located in Thai Union Manufacturing Co., Ltd.

(3) According to the data from the AQUEDUCT program, which assesses water scarcity risks, the factories located in Songkhla and Samut Sakhon were found to be situated in water scarcity risk areas. As a result, the Company reports the same information on water management for all areas, including those at risk of water scarcity.

(4) Data is from Provincial Waterworks Authority. Raw municipal water comes from surface water in the Maeklong River Basin and the Songkhla Lake River Basin, respectively.

Sustainability Management in Social Dimension

Social Policy and Practice

The Company recognizes the importance of conducting business with social responsibility, improving society, and reducing negative impacts that may occur. This promotes a corporate culture that adheres to business ethics, operates with transparency, and strictly complies with the relevant laws to build confidence in the Company. This helps the Company manage its business, increase competitiveness, and maintain sustainable business operations.

The Company places a high priority on safe employment, traceability, improvement of the quality of life in the surrounding community, and transparency in the supply chain. Here are some details on these efforts:

1. The Company has established policies for managing human resources and good corporate governance, which prioritize fair treatment and respect the rights of employees. The Company is committed to providing safe and legal employment and ensuring that employees have the freedom to work without discrimination.

2. The Company promotes a culture of integrity and transparency by encouraging all employees, officers, executives, contractors, customers, and stakeholders to raise concerns, suggestions, complaints, or grievances regarding unethical, dishonest, or illegal actions. The Company also encourages employees and stakeholders to act as witnesses and provides them with appropriate and fair protection.

3. The Company is committed to improving the life quality of the communities in which it operates. We achieve this by collaborating with partners in the private sector, local governments, and various agencies.

4. The Company places great importance on supply chain transparency and full traceability, from the procurement of raw materials to the delivery of products to customers. This ensures that customers and stakeholders can trust that the products are produced by legally employed labor and safe labor. The Company also promotes understanding of labor rights. The Company is committed to using seafood materials that are procured by fishing vessels operating legally and responsibly. In addition, the Company is committed to promoting the sustainability of the oceans, both now and in the future.

Social Performance

The Company is committed to being a responsible member of the society by ensuring compliance with the relevant laws and regulations, as well as upholding social responsibility. The Company has been certified for occupational health and safety management system ISO45001 in our Songkhla factory. Our factories in Songkhla and Samut Sakhon Provinces have been audited for trade ethics by the Supplier Ethical Data Exchange (Sedex). The Company also supports, collaborates with, and participates in activities that benefit the community and society.

Safe and Legal Employment

The Company is are committed to promoting labor rights and employee welfare. It strictly adheres to the laws and regulations related to recruitment and employment, ensuring fairness within the organization. The Company provides various employee benefits and activities to promote their well-being, such as group life and health insurance, accident insurance, annual health checkups, and random drug testing. The Company also provides infirmaries with factory staff and exercise facilities for employees, as well as organizing activities for employees to participate in.

The Company prioritizes the health and safety of its employees as demonstrated by its response to the COVID-19 pandemic. The Company has implemented additional measures to prevent infection and transmission within the factory, such as spacing out working groups, dividing them, and providing the COVID-19 vaccines to the employees through government programs and the Company's own contributions. The employees who were affected were isolated and cared for according to the government guidelines. We have also increased inspections to identify infected employees and prevent the transmission. Various measures have been taken to prevent the spread of the disease within the factory.

As for accident prevention, the Company has strengthened its work procedures and improved safety systems, such as the emergency response system. Safety equipment is provided to employees to prevent accidents. We also arrange work plans to reduce accidents in high-risk areas by communicating and training employees to work properly and modifying various equipment to minimize the accident risks.

Indicators	Unit	2022	2021	2020 (1)
Lost Time Injury Frequency Rate (LTIFR) - Employees, Contractors	Frequency per 200,000 working hours	0.19	0.22	0.39
Lost Time Injury Severity Rate (LTISR) - Employees, Contractors	Days off per 200,000 working hours	1.13	0.47	0.41
Total Recordable Incident Rate (TRIR) Employees, Contractors	Times per 200,000 working hours	0.59	0.26	0.43
Number of High-Consequence Work-Related Injuries Cases	times	-	-	-
Working Hours	hours	38,651,983	33,903,361	23,857,098

*** Note :** 2020 includes only the factory in Songkhla. 2021 and 2022 include the factories in Songkhla and Samut Sakhon.

Improve the Quality of Life in the Surrounding Society

The Company places great importance on improving the quality of life in the surrounding society and has implemented various projects to achieve this goal. These projects include donating pet food to various foundations in need, participating in reforestation efforts to increase green space, and providing assistance to the society by donating food and equipment related to the prevention of the spread of COVID-19. Details of these projects are as follows:

Charity Project for Stray Dogs: Providing Processed Pet Food through Baan Ma Yim Foundation

In 2022, the Company organized a charity project for stray dogs in which 5,000 cans of processed pet food were donated through the Baan Ma Yim Foundation in Hat Yai District, Songkhla Province. The project aimed to contribute to the quality of life of over 500 stray dogs under the care of the foundation by providing them with good-quality food that is rich in nutrients.

Tree Planting Activities to Increase Green Space at Wiang Pa Po Monastery (Wat Khuan Lum), Ban Sattha

In 2022, the Office of Labor Protection and Welfare in Songkhla Province collaborated with other local organizations to promote unity, perform acts of kindness, and pay tribute to the King. On the National Labor Day, employees joined together to make various social contributions, including increasing the green space of religious areas at Wiang Pa Po Monastery (Wat Khuan Lum), Ban Sattha, Phawong Sub-district, Mueang District, Songkhla Province. About 60 participants came together to plant 100 trees, increasing the area's greenery.

Scholarships and Sports Equipment Donation for Schools in Need: Run for Dreams and Share Love at Tha Chin Udom Witthaya School, Songkhla Province

The Company recognizes the importance of social and environmental responsibility, including corporate social responsibility (CSR), throughout its operations. As such, the Company conducts business in accordance with ethical principles and good management practices, taking responsibility for the impact of its operations on society and the environment.

The human resources department is responsible for organizing activities that promote social and environmental responsibility to instill good ethics among the employees. One of these activities is the ITC (Songkhla) Project called "Run for Dreams and Share Love," which grants scholarships to children under the health promotion program called "HR Chuan Kling." The main objective of the project is to provide scholarships to students with good academic performance but in a difficult family situation and are studying in schools surrounding the factory area. The Company has granted 10 scholarships to students of Tha Chin Udom Witthaya School in Moo 7. This initiative aims to boost morale and encourage children to pursue further education.

ITC (Songkhla) Joins Beach Garbage Collection Activities on International Coastal Cleanup Day: The Ruamjai ITC Project for Beautiful Beaches by Our Own Hands

i-Tail, a top 10 leading pet food product company in the world, participated in garbage collection activities on Chalatat beach in Songkhla Province in observance of the International Coastal Cleanup Day to encourage communities to protect the environment.

Fifteen volunteers from i-Tail Corporation Public Company Limited in Songkhla participated in the beach clean-up activity organized by the Department of Marine and Coastal Resources 5 (Songkhla) to raise awareness about the amount of trash on the beach and promote efforts to reduce waste in the area.

The total amount of garbage collected weighed 361 kilograms, which was sorted by the Department of Marine and Coastal Resources 5. The most commonly collected types of waste were plastic bottles, plastic bags, glass bottles, and straws. Along with the clean-up activities, 15 million blue swimming crabs were also released back to the sea.

ITC Grants Financial Support for Landscape Improvement to the Faculty of Agro-Industry, Prince of Songkhla University

i-Tail Corporation Public Company Limited provided financial support for the improvement of the landscape and academic buildings of the Faculty of Agro-Industry at Prince of Songkhla University. The contribution was delivered to Assoc. Prof. Dr. Santhad Wichianchot, Department of Health Food and Nutrition, Faculty of Agro-Industry, who represented the university for the receipt of the donation.

ITC's Aquatic Species Release Project for the Rehabilitation of Natural Resources in Songkhla

i-Tail Corporation Public Company Limited participated in the International Coastal Cleanup Day activities to promote environmental protection. Fifteen volunteers from ITC in Songkhla took part in the activity organized by the Department of Marine and Coastal Resources 5 (Songkhla) to raise awareness about marine resource conservation. The volunteers released 15 million blue crabs back to the sea to restore ecological balance.

Blood Donation Project

The ITC's executives and staff participated in a blood donation project called "55 Hundred Thousand cc, 55 Years PSU" in collaboration with Songkhla Nakarin Hospital. The project aims to increase blood reserves for storage units to treat patients in hospitals and also to have a positive effect on donors' health by stimulating the production of new blood cells, promoting healthy skin, and reducing the risk of diseases. The project is followed up every 3 months until completion and is just one example of i-Tail's commitment to social responsibility and community outreach efforts. The project brought the total blood donation amount to 48,150 cc.

Strengthening Community Relations: i-Tail Corporation's Activities in Samut Sakhon Province

In August 2022, the factory located in Samut Sakhon Province along with Thai Union Manufacturing Co., Ltd. donated canned food products to the communities in Moo 7and Moo 8, Tha Sai Sub-district, Mueang Samut Sakhon District. Moreover, they held a meeting with government agencies, community leaders, and the Company listened to the problems and everyone tried to find solutions together. The Company also provided an overview of its measures and practices to ensure mutual understanding across all sectors

Supply Chain Transparency

The Company recognizes the importance of product traceability and supply chain management in promoting safety and ensuring ethical labor practices such as adhering to the Vessel Code of Conduct in Thailand. Working in partnership with the world's largest pet food producers, the Company supports projects that improve the working conditions of fishermen, educate them about the terms and rights of contract workers, and prevent workers from signing contracts without full understanding.

In addition, the Company has implemented a policy that requires all raw material suppliers to certify the implementation of proper labor practices before entering into any business relationship with the Company. As part of this policy, the Company also inspects fishing vessels to ensure that no illegal labor violations occur during the fishing process. Additionally, for all seafood material purchases, the Company requires an aquatic animal trading document certified by the Department of Fisheries to verify that the fishing is legal. The Company checks the documents of all fishing vessels every year and conducts random inspections, including hiring third-party inspectors, to ensure that the raw materials are sourced properly.

The chicken material is the main raw material for pet food so the Company has established a policy for all partners to acknowledge and certify their implementation of labor practices. Additionally, the Company conducts regular evaluations of its partners, and ensures that all suppliers obtain various quality certificates, including the Good Hygiene Practices (GHPs) certificate and the Hazard Analysis and Critical Control Points (HACCP) certificate certified by the Department of Livestock Development. The Company also requires the BRC Global Standard for Food Safety certification by the British Retail Consortium and International Food Safety Certification (IFS) from the suppliers to guarantee the safety of our products. The suppliers are inspected every three years to ensure that their production processes are up to the standards and that their food is safe. Moreover, the Company ensures that all suppliers use legal and fair labor practices.

Management Discussion and Analysis

Executive Summary

i-Tail is one of the leading original equipment manufacturers (OEMs) in the wet pet food category and was ranked the second largest pet food company in Asia. Also, i-Tail was ranked one of the top 10 globally by annual revenue in 2021 by www.petfoodindustry.com. We manufacture and sell mostly mid-priced to premium quality pet food and treats for cats and dogs made from premium ingredients, primarily fish and chicken. As of the end of 2022, we have over 5,637 SKUs serving over 435 customers worldwide in more than 45 countries.

The explanation for the Company's financial performance is as follows:

1. Discussion and Analysis of FY2022 Financial Information

Our Audited Consolidated Financial Statements for the year ended December 31, 2022

Income Statement

Sales

In FY2022, sales were at THB 22,528mn (+217.0% YoY), driven by higher sales of pet food (+284.8% YoY) in Samut Sakhon plants following our acquisition of a pet food business in connection with the business restructuring from Thai Union Manufacturing (TUM), from subsidiary of Thai Union Group, and other businesses (+512.0%) from the sales of by-products from our seafood raw materials. This was partially offset by lower ambient seafood sales (-42.2% YoY) primarily due to our transition away from the ambient seafood business to focus on the pet food business.

Gross profit and margin

FY2022 gross profit was THB 5,424.5.0mn (+409.4% YoY), mainly from the acquisition of a pet food business from TUM. Gross profit margin was at 24.1% from higher selling prices, cost management efficiency, and a greater mix of premium pet food products.

SG&A expenses

FY2022 SG&A expenses increased 118.3% YoY, mainly due to an increase in sales commission, higher freight expenses, personnel costs in relation to employees transferred from TUM, and one-time expenses related to the IPO and consultancy fees. SG&A to sales ratio improved to 5.6% compared to 8.2% in the same period last year, mainly from sales increasing higher than SG&A expenses.

Other income

FY2022 other income was at THB 247.9mn compared to THB 84.2mn in the same period last year, mainly thanks to increased tax coupons attributable to increased export sales.

FX gain / loss

We reported FX gain of THB 199.2mn in FY2022 (vs THB 142.2mn in FY2021), mainly from the appreciation of USD/THB.

EBIT

FY2022 EBIT was up 556.2% YoY at THB 4,586.4mn, mainly thanks to the higher profit generated for the period from higher sales orders and from the acquisition of TUM's pet food business in connection with the business restructuring.

Finance costs

FY2022 finance cost was at THB 86.0mn (vs THB 24.7mn in FY2021) mainly due to additional short-term borrowings during the period which resulted in higher finance costs.

Income tax

FY2022 income tax expense was at THB 70.1mn vs THB 19.7mn tax expense in FY2021. The increase was mainly due to higher tax from our US subsidiary, US Pet Nutrition (USPN), and the higher operating profit of the Company.

Net profit

FY2022 net profit was at THB 4,469.8mn, increased 183.6% YoY, mainly thanks to strong sales and gross profit, well-managed SG&A expenses, and higher FX gain.

Financial Position

Total assets

As of December 31, 2022, total assets were at THB 25,749.6mn, increased by 72.4% from the end of 2021 at THB 14,933.7mn, thanks to higher cash and cash equivalents received from the public offering, and higher trade and other receivables from the increase in sales from the Samut Sakhon plant following our acquisition of TUM's pet food business. This was partially offset by lower assets of disposal groups classified as held-for-sale from discontinued operations from the sale of a packaging subsidiary, Asian Pacific Can (APC), as a result of the business restructuring.

Total liabilities

As of December 31, 2022, total liabilities were at THB 3,143.5mn, decreased by 70.4% from the end of 2021 at THB 10,602.3mn, thanks to lower liabilities of a former subsidiary (APC) which was disposed during the year. And lower trade and other payables from the repayment of payables owed to TUM in relation to the purchase of their pet food business.

Total equity

As of December 31, 2022, total equity was at THB 22,606.1mn, increased by 421.9% from end-2021 at THB 4,331.4mn, was primarily thank to an increase in profit for the year and an increase in other comprehensive income, higher authorized share capital and a premium on share capital from offered 600 million shares to the public for the first time with a par value of THB 1 per share at a price of THB 32 per share, which was partially offset by THB 445.1mn directly attributable expenses of the IPO on premium share capital.

Cash Flows

As of December 31, 2022, we recorded cash and cash equivalents of THB 10,798.9mn. The increase was mainly from cash received from public offering net with cost of issuing shares and operating activities as a result of profitable continuing operations (EBIT: THB 4,586mn).

Net cash payments for investing activities totaled THB 3,388.8mn, consisting primarily of cash payments for business combination under common control of THB 2,301.6mn, property, plants and equipment of THB 1,171.6mn, and for investment in debt instruments of THB 737.8mn, partially offset by THB 555.7mn for net cash receipts from short-term loans to the parent company.

Net cash receipts from financing activities totals THB 12,133.8mn, consisting of cash received from public offering net with cost of issuing shares of THB 18,754.9mn and from issuance of common stock offered to the existing shareholders of THB 2,040.0mn, which is partially offset by a dividend payment to our shareholders of THB 7,670.4mn and payments for short-term loans from the parent company of THB 668.7mn and repayments for long-term loans from the parent company of THB 99.7mn.

2. Discussion and Analysis of FY2022 Pro Forma Consolidated Financial Information

This pro forma consolidated financial information has been prepared by the Company's management to demonstrate the impact of the business restructuring as if the restructuring occurred on January 1, 2019. (See the details at Section 3 Financial Report, under the topic "Pro Forma Consolidated Financial Information.)"

Business Overview

Sales by category

In FY2022, cat food grew 45.3% YoY, mainly from new product launches, high sales orders, particularly from global pet food brands and global pet food retailers, and higher selling prices. Dog food grew 54.9% YoY, mainly from new products launched and higher sales from existing customers and new customers, particularly supermarkets in the U.S. Pet treats grew 49.8% YoY, thanks to new products launched, a greater mix of premium products, and an increase in our product prices.

Sales by region and channel

In FY2022, sales increased in key regions: Americas (+77.4% YoY), Europe (+19.1% YoY), and Asia, Oceania and Others (+23.1% YoY), mainly from continued strong demand for pet food, business expansion to new and existing customers, and THB depreciation. This was supported by improved logistics which helped boost exports. Americas grew significantly from higher sales from U.S. customers.

The sales mix by channel was unchanged at 99.0% OEM and 1.0% own brand.

Pro Forma Income Statement

Sales

FY2022 sales were record high at THB 21,240.1mn (+47.4% YoY), mainly from continued strong demand for pet food, particularly in the U.S. and Asia, higher sales from key existing and new customers, new products launched, higher selling prices, depreciation of the Thai Baht against U.S. dollars (+9.2% YoY), as well as an increased availability of shipping containers and container space which boosted our exports.

Gross profit

FY2022 gross profit was strong at THB 5,348.9mn (+59.4% YoY) from the abovementioned reasons. Gross profit margin was high and within our target at 25.0%, increased from 23.1% in the same period last year, thanks to increased selling prices, higher freight revenue, cost efficiency management, as well as a greater mix of premium products with high profit margins. In addition, there was one-time recruitment fees for migrant workers in Q4 of THB 66.4mn. Excluding the one-off item, FY2022 adjusted GPM would be 25.3%.

Other income

FY2022 other income was at THB 247.0mn (+104.9% YoY). The increase was mainly from higher tax coupons on exported goods, in line with higher export sales, as well as a customer claim from a discontinued product.

SG&A expenses

FY2022 SG&A expenses increased 26.2% YoY mainly from higher sales commissions in line with increased sales, freight costs, higher marketing expenses to support customers' branding activities, and one-time consultant fees and IPO-related expenses of THB 67.9mn. SG&A to sales ratio was at 5.7%, down from 6.7% in FY2021, thanks to the proportion of sales growing higher than SG&A expenses.

FX gain / loss

We reported FX gain of THB 175.1mn in FY2022 (vs THB 285.4mn in FY2021), mainly from the appreciation of USD/THB.

EBIT

FY2022 EBIT was up 63.0% YoY at THB 4,531.9mn, supported by strong business operations and FX gain, partially offset by higher SG&A expenses. Excluding the extra items on IPO-related and consultant fees, adjusted EBIT was up 65.4% YoY at THB 4,599.8mn.

Finance costs

FY2022 finance cost was at THB 82.5mn (vs THB 31.8mn in FY2021), mainly due to additional short-term borrowings resulting in higher finance costs. In 4Q22, we repaid short-term loans of THB 7,416mn from a portion of the proceeds from IPO.

Income tax

FY2022 income tax expense was at THB 48.1mn vs THB 27.7mn tax expense in FY2021. The increase was mainly due to net profit before tax of our US subsidiary, US Pet Nutrition (USPN).

Net profit

FY2022 net profit was at an all-time high at THB 4,401.4mn, up 61.8% YoY, while FY2022 net profit margin stood at 20.5% vs 18.7% in FY2021. The uplifted net profit margin was thanks to strong business operations with record sales and gross margin maintained at a high level, despite higher SG&A expenses.

Adjusted net profit

FY2022 adjusted net profit was at THB 4,535.7mn, up 66.9% YoY, and net margin at 20.9%. This was mainly due to the one-time expenses, including recruitment fees of THB 66.4mn (in 4Q22) in costs of goods sold and IPO-related expenses of THB 67.9mn (in 1Q-4Q22) in SG&A expenses.

Dividend

The Company announced a dividend of THB 0.20 per share for the 4Q22 performance. (See details at Section 1 Business Operations and Performance under the topic "Dividend Policy.")

Pro Forma Financial Position

Total assets

As of December 31, 2022, total assets were THB 28,178mn, increased by 145% from the same period last year, mainly from higher cash and cash equivalents, increased trade receivables from higher sales orders and higher trade activities, higher inventory value in line with the increase in customer orders and the additional investment in property, plant and equipment to support our sales expansion.

Total liabilities

As of December 31, 2022, total liabilities were THB 3,133mn, decreased by 33% from the same period last year, mainly from the repayment of short-term loans from related parties, despite higher trade and other payables relating to increased orders of raw materials.

Total equity

As of December 31, 2022, total equity was THB 25,045mn, increased by 267%, primarily thank to an increase in profit for the year and other comprehensive income, higher authorized share capital and a premium on share capital from 600 million shares offered to the public for the first time with a par value of THB 1 per share at a price of THB 32 per share, after deduction of THB 445.1mn directly attributable expenses from the IPO on premium share capital.

This was partially offset by dividend payments of THB 3,600.0mn in April 2022 and THB 2,100mn and THB 1,980mn in August 30, 2022 and November 4, 2022 respectively (interim dividend).

Pro Forma Cash Flows

As of December 31, 2022, we recorded pro forma cash and cash equivalents of THB 13,253.7mn. The increase was mainly from higher cash received from proforma operating activities as a result of profitable operations (EBIT: THB 4,532mn).

Net cash payments for investing activities totaled THB 1,342.1mn, consisting primarily of THB 1,172.6mn paid for property, plants and equipment, and cash payment for the purchase of financial assets of THB 737.8mn, partially offset by cash repayments THB 555.7mn for net cash receipts from short-term loans to the parent company.

Net cash receipts from financing activities totaled THB 10,701.5mn, consisting of cash received from public offering net with cost of issuing shares of THB 18,754.9mn and from issuance of common stock offered to the existing shareholders of THB 2,040.0mn, which is partially offset by a dividend payment to our shareholders of THB 7,670.4mn and repayments of long-term loans from the parent company of THB 2,299.5mn.

Business Outlook

The Company is committed to sustainable business growth. We have a target of 15% sales growth CAGR until 2025, which outperforms the global pet food industry, driven mainly by increasing market share of pet food, particularly in the U.S., Europe, and Asia, and a strategic focus on innovation and premium products that capture the pet humanization trends such as pet treats, which give us a competitive advantage and drive profitable, long-term business growth.

In 2023, we set an ambitious target to achieve 15% sales growth from a high base last year. Additionally, we continue to focus on cost efficiency management and a strategy to adjust selling prices to reflect higher costs, in order to maintain a gross profit margin at a high level of 25% and selling, general, and administrative expenses (SG&A) at 5.5-6.5%.

We continue to invest in capital expenditure with a CAPEX commitment of THB 2.1bn in 2023. Out key projects are constructing a new plant in Samut Sakhon, which will increase the capacity by 18.7% and is expected to commercialize in 2Q of 2023, as well as a new, automated warehouse (ASRS), and machinery to increase production efficiency.

As a result, we remain committed to delivering sustainable shareholder returns, with a dividend policy of at least 50% of net profit payout ratio and two payments a year.

Financial Ratios

	2022	2021
Profitability Ratios		
Gross profit margin (%)	25.0	23.1
EBITDA margin (%)	23.5	22.6
Operating margin (%)	19.2	16.3
Net profit margin (%)	20.3	18.6
Return on equity (%)	27.6	43.9
Liquidity Ratios		
Current ratio (times)	9.0	1.7
Quick ratio (times)	6.7	0.7
Days sales outstanding (days)	48.3	53.5
Days of inventory outstanding (days)	93	96
Days payable outstanding (days)	30.6	33.5
Profitability Ratios		
Return on assets (%)	22.2	24.4
Asset turnover (times)	1.1	1.3
Financial Policy Ratios		
Debt to equity ratio (times)	0.1	0.7
Interest bearing debt to equity ratio (times)	0.0	0.3
Interest coverage ratio (times)	61.9	104.4

General and Important Information

Reference

COMMON SHARE REGISTRAR

Thailand Securities Depository Company
14th Floor, the Stock Exchange of Thailand Limited
93 Ratchadaphisek Road, Din Daeng, Din Daeng,
Bangkok 10400
Tel: +66(0) 2009 9999
Fax: +66(0) 2009 9991

AUDITOR

Mr. Pongthavee Ratanakoses CPA No. 7795 or
Mr. Chanchai Chaiprasit CPA No. 3760 or
Ms. Amornrat Pearmpoonvatanasuk CPA No. 4599

PricewaterhouseCoopers ABAS Ltd.
15th Floor Bangkok City Tower
179/74-80 South Sathorn Road, Sathorn, Bangkok
10120
Tel: +66(0) 2844 1000 Fax: +66(0) 2286 5050

Information Influencing Investors' Decisions

The Company has no further information to disclose that may materially impact investors' investment decisions. To ensure equal access to information for all types of investors, should there be any other crucial information that could materially be useful or impact investors' investment decisions, or that could ensure equal access to information for all types of investors, the Company will immediately disclose the accurate and complete information on the Stock Exchange of Thailand's portal as well as the Company's website, where investors can digest the information before making any investment decisions.

Litigation

There is no material litigation against the Company or its subsidiaries that could have a negative effect on their assets. In addition, there is no lawsuit that could have a significant effect on their businesses.

Section

02

Corporate Governance

i-Tail recognizes the importance of good corporate governance principles. Therefore, the Company conducts business by adhering to the principles that enhance the operations of the Company to grow sustainably and be well-regarded by society.

Corporate Governance Policy

Overview of Policy and Principles of Good Corporate Governance

i-Tail recognizes the importance of good corporate governance principles. Therefore, the Company conducts business by adhering to the principles that enhance the operations of the Company to grow sustainably and well-regarded by society. The Board of Directors has established a policy on good corporate governance, including determining the qualifications of directors who are diverse in terms of skills, experience, gender, and specific abilities that are beneficial to the Company; recruiting executives with leadership, visions, and accountability; controlling and monitoring the management structure to ensure the balance of power. With clear principles to guide its practices, the Company relies on proper management, ethics, and transparency including the equal rights of shareholders and stakeholders. The increased competitiveness of the business has grown the confidence of the shareholders, investors, and all stakeholders in the Company. These are 8 principles to ensure the Company's business efficiency and stability and to create its sustainable value.

Principle 1

Recognize the roles and responsibilities of the Board of Directors as the organization's leadership in creating sustainable value for the business

The Board of Directors has a leadership role of overseeing the Company's good governance, which covers the setting of objectives and targets, strategies, and operating policies to promote ethical business, to respect shareholder and stakeholder rights, and to optimize resource allocation.

In addition, the Board of Directors is responsible for ensuring that all directors and executives perform their duties responsibly, cautiously, and honestly toward the Company and protect the Company's interests. Their duties include supervising and providing adequate mechanisms to ensure that the Company's operations comply with the laws and regulations, the Company's objectives, the resolutions of the Board of Directors' meeting, and the resolution of the shareholders' meetings. The details of their roles and responsibilities can be found under the topic "Roles of the Board of Directors" in this report.

Principle 2

Define the objectives and the main targets of the business to achieve sustainability

The Board of Directors has jointly set the objectives and the main targets for the organization's business operations to grow sustainably with society and to create value and benefits for the organization, customers, partners, stakeholders, and the whole community. To cultivate a corporate culture of good corporate governance, the Board encourages the reflection of the organization's objectives and main targets in the decisions and operations of personnel at all levels.

The Board of Directors sets both annual and long-term business strategies, action plans, and company budget by establishing an executive committee to analyze the environment, various factors, and risks that may affect the operations and stakeholders along the value chain. The Board also monitors the management to implement strategies and operational plans effectively.

The Board of Directors defines the values of the organization by emphasizing ethical business operations and is responsible for the results of the Company's actions, transparency, and social responsibility. The Board also encourages all employees to practice good corporate values consistently and to improve the Company together so that it grows sustainably.

Principle 3

Strengthen an effective Board of Directors

The Board of Directors determines and reviews the structure of the Board in terms of size, composition, qualifications, expertise, experience, and the number of directors to ensure suitability to achieve the Company's objectives and targets. It also selects a qualified person to be the Chairman of the Board of Directors under the condition that the Chairman and the Chief Executive Officer are not the same person.

The Board of Directors understands its roles and responsibilities. There is a clear division of roles between the Board of Directors and the management. Each director is regularly required to be provided with knowledge and understanding about the nature of business operations and the related laws. In addition, the Board of Directors has determined the roles of the management and supervised the functions of the administration to operate ethically and effectively under the established policies, as well as overseeing operations to avoid conflicts of interest between the Company's stakeholders. The Company's information is regularly and accurately disclosed in full.

Principle 4

Recruitment and development of senior executives and personnel

The Board of Directors places importance on personnel who will be in important leadership positions such as the Chief Executive Officer (CEO), and other positions equivalent to Managing Director of the Company and its subsidiaries by considering their knowledge, abilities, and experience consistent with the Company's strategies and targets. Therefore, the Board of Directors must ensure that the personnel are appropriately recruited, managed, and developed in the right number with the knowledge, skills, experience, and motivations in line with the direction and strategies of the Company.

In order to perform effectively, the Board of Directors must understand the structure and relationship of the shareholders that could affect the management and operations of the business and ensure that the information is disclosed with those things in mind.

Principle 5

Promote innovations and business operations responsibly

The Board of Directors places importance on and supports innovations that create value for the business and benefits for customers or stakeholders. The Board also has social and environmental responsibility to create an organizational culture that encourages innovations and ensures that business operations are ethically, socially, and ecologically responsible without violating the rights of stakeholders. The Company has adopted Thai Union's SeaChange® strategy that focuses on safe and legal labor, responsible operations, responsible sourcing, and well-being of people and communities to guide the entire organization to achieve and exceed objectives and targets continually.

Create innovations with business value to benefit customers and stakeholders while taking social and environmental responsibility.

The Board of Directors considers innovations as the cornerstone of business strategies and competitive advantage and a key element of the Company's corporate culture. Therefore, a pet food innovation center called Global PetCare Innovation (GPCI) was established, focusing on innovations in product development and accelerating research and development. In addition, the Company is launching a Cat food research and development center "i-Cattery," a testing group with various cat breeds to test the palatability of cat food, done in collaboration with one of Thailand's leading scientific universities.

Furthermore, the Company works with Thai Union's Global Innovation Center (GIC) to conduct research and development in various fields to produce innovative products that meet today's global trends. It focuses on an in-depth analysis of food nutrition, raw materials, production technology, and sustainable packaging.

The Company takes a proactive approach and collaborates with customers in product development to respond promptly to customer needs. There are a Business Development Innovation department, a Research and Development department, and a Sales and Marketing department, all working together to introduce new ideas and innovations and fill the gaps in customer product portfolios through the Company's co-creation process.

In business operations, the Company places great importance on operating with social, environmental, and economic responsibility. This means taking leadership in supply chain matters by delivering on diverse stakeholder needs to create and sustain positive impact beyond the business.

Conduct business with social and environmental responsibility

The Board of Directors provides a mechanism to ensure that the management operates business ethically while being socially and environmentally responsible without violating the rights of stakeholders, all of which are reflected in the operational plan to ensure that all departments are run aligned with the business objectives, key targets, and strategic plans.

• Responsibility to Shareholders

The Company strives to be a good representative of shareholders in conducting business with transparency and reliable accounting and financial systems. To create the maximum satisfaction to shareholders, the Company operates with the optimal long-term benefits of the shareholders in mind and create the good sustainable operating results. The Board of Directors, all executives, and employees perform their duties with honesty by applying their knowledge and management skills to the max; making decisions with sincerity and fairness to both major and minor shareholders without causing a conflict of interest with the company; not seeking benefits for themselves; not disclosing confidential information to third parties while providing important information to all shareholders in an equitable, accurate, complete, and timely manner; and creating a good return on investment to satisfy shareholders.

• Responsibility to Employees

The Company treats employees and workers fairly. It respects human rights and complies with relevant laws and standards, offers appropriate remuneration and other benefits based on each employee's knowledge, abilities, and performance. It provides healthcare, good and safe working environment, and training to add on their understanding, and knowledge, and improve their performance. It also encourages the participation of employees and provides opportunities for them to develop other essential work skills as detailed under the topic "Employee Information."

• Responsibility to Customers

The Company recognizes the importance of customers and consumers by placing emphasis on food safety with a focus on the use of good quality raw materials and the production processes in accordance with national and international standards for quality and safety. To meet consumer expectations, the Company focuses on research and development of production processes, unique packaging, and nutritional innovations with a variety of raw materials to develop dietary formulas suitable for pets.

Product prices are calculated from cost plus an appropriate gross profit margin (Cost-Plus Margin), considering various factors to get the right prices that reflect the quality of the products, and setting trade terms that are fair to customers.

In the operation process, the Company uses information technology systems in the production proces to plan and delivery products to customers both domestically and internationally in a timely manner while maintaining product quality and increasing operational efficiency to meet customer needs and satisfaction.

In addition to producing and delivering quality products to customers, the Company continues to focus on providing services, giving advice, and solving customer problems promptly before and after the sale. This approach also allows customers to give their opinions, which are used in product and service development, through a complaint channel.

Keeping customer information confidential is essential. The Company will not disclose customer secrets or use them for benefits of the Company or related party for any reason whatsoever. Moreover, the Company strictly follows the contract or agreement given to the customer otherwise the Company will jointly consult with customers to find preventive and corrective solutions.

Sales conduct including information about product recommendations, features, and product descriptions must be accurate, adequate, and responsibly delivered to prevent customer misunderstandings and the misuse of that misunderstandings.

• Responsibility to Partners and Creditors

The Company has established a code of conduct for business operations as guidelines for conducting business ethically by determining the procurement process,

contract terms, or fair agreements to provide complete and accurate details. In addition, our raw material suppliers must acknowledge and certify their implementation according to the Labor Code of Conduct and Vessel Code of Conduct before commencing any business relationships with the Company to ensure that the Company's partners do not use illegal labor or practice illegal fishing. A follow-up inspection and evaluation with trade partners are required to develop sustainable business operations between parties.

The Company strictly complies with the agreements made with business partners and creditors including reimbursement guarantee terms and any other matters. In case of being unable to perform or a default of payment, the Company must negotiate with trade partners and creditors in advance to jointly find solutions and prevent damage.

The Board of Directors has established guidelines for anti-corruption, including not requesting, accepting, or offering dishonest benefits to trading partners or creditors. If any fraudulent benefits have been suspected, the Company must discuss with trading partners or creditors to jointly solve problems fairly and quickly.

• Responsibility to Competitors

Business ethics set by the Board of Directors require the Company to conduct business within the framework of fair competition and the laws. The Company does not seek competitors' confidential information through dishonest means, damage competitors' reputations by slander, act untruthfully and unfairly, nor create a monopoly that will harm consumers. Consequently, the Company never had no disputes regarding trade competition.

• Community and Social Responsibilities

The Company operates its business by taking social and community responsibilities into consideration while improving the society's quality of life. The Company promotes corporate culture continuously and earnestly to instill social responsibility awareness among employees at all levels through its collaborations with local governments, private sectors, and international organizations. More details on the Company's activities to support communities and society throughout 2022 can be found under the topic "Drive Business for Sustainability."

• Environmental Responsibility

The Board of Directors has established a policy for environmental, social, and governance responsibility with a commitment to develop and drive business with sustainability. The Company concerns about ecological impacts and commits to protecting the environment by reducing the use of natural resources, encouraging efficient services, and causing no further damage to the natural resources and the environment. This commitment is part of the Company's strategies and it is reflected in the Company's action plan. The Company initiates various projects to reduce the use of natural resources, landfill waste, and greenhouse gas emissions; to increase the use of renewable energy; and to improve the environmental impact of packaging. More details are under the topic "Drive Business for Sustainability."

• Respect Intellectual Property Rights

The Company places importance on its intellectual property including its name, logo, copyrights, patents, trademarks, trade secrets, innovations, information, and information technology by requiring that the directors, executives, and employees at all levels must comply with the laws related to intellectual property of every country in which the Company invests, and also comply with announcements, orders, and regulations set by the Company. All personnel must maintain and protect the Company's intellectual property. The Company strictly follows business ethics by not allowing the use of illegal software in the Company and respects the intellectual property rights of others; no infringement on copyrights or trademarks, or using the works of others for the benefits of oneself or the Company.

Principle 6

Ensure Implementation of Appropriate Risk Management and Internal Control System

• Internal Control and Audit

The Board of Directors has appointed the Audit Committee, consisting of 3 independent directors, to perform their duties efficiently and independently. These directors are responsible for reviewing financial reports, internal control system, law compliance, independence of the internal audit department, the selection of auditors, the disclosure of company information, etc. More details are available under the topic "Information about Sub-Committees under the Audit Committee."

The Company established the Internal Audit department as an independent unit of the i-Tail. At present, Ms. Orawan Phunamsarp, the internal audit manager, is the head of the Internal Audit department. (Details about the head of the internal auditor are in Attachment 3).

The Internal Audit department regularly oversees the internal control system as well as examines essential processes, all of which cover the whole operation, supervision of operation, risk management, and the importance of unusual transactions, to ensure that the Company has an effective internal control system that enhances the credibility of the financial statements. The department reports directly to the Audit Committee while reporting on the management to the Chief Executive Officer. The Internal Audit department prepares an annual internal audit plan which considers the risk factors of the Company and its subsidiaries, particularly risks that affect the achievement of the Company's objectives and the accuracy of financial reports. The Audit Committee reviews and approves the annual audit plan as well as follows up on audit results and the performance of the Internal Audit department regularly.

The previous internal audit reports showed that the operations had been under the established system. The internal control system is good and efficient. Business risks are defined, assessed and implemented risk mitigation. The Company has ensured that relevant laws and regulations are followed and has not found any significant mistakes.

• Risk Management

The Board of Directors has appointed the Risk Management Committee to supervise the Company's overall risk management as well as to establish risk management policy. The committee also assigns management and top management related to risk factors to regularly assess both internal and external threats; to analyze the cause of the risks; to establish the risk management measures and make them the operational guidelines to prevent risks; to reduce the impact of risk; and to monitor the results using the specified measurements. The committee reports the risk management results and significant risks to the Board of Directors at least quarterly. More details are under the topic "Risk Management."

• Conflicts of Interest

The Board of Directors has established a policy to prevent conflicts of interest between the Company and the management, the Board of Directors, or the shareholders. The policy covers the prevention of inappropriate use of the Company's assets, information, and opportunities, including the prevention of conflict in inappropriate transactions with persons related to the Company so the related parties can perform their duties based on the principles that all transactions must be in best interests of the company, shareholders, and investors.

• Supervision of the Use of Inside Information and the Trading of the Company's Securities

The Company has established measures to prevent the use of inside information for the benefit of directors and senior management by informing everyone to report changes in the securities holdings of themselves, their spouses, and minor children to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535, no later than 3 business days after the date of purchase, sale, transfer, or acceptance of transfer of the Company's securities. The Company does not allow directors, executives, or members of any departments with access to inside information to disclose inside information to third parties or persons who are not involved. Directors, executives, or the relevant members of any departments are not allowed to trade the Company's securities within 1 month (Silent Period) before the financial statements or any other information is publicly disclosed and must not trade the Company's securities within 24 hours after the disclosure of information to the public. Directors, executives, or relevant members of any departments do not disclosed material information that has not been disclosed to the public to outsiders or unrelated persons in order to prevent the improper use of inside information for personal gain by influencing the Company's stock prices.

In addition, the Company Secretary reports the status of holdings and changes in the Company's securities of directors and executives to the Chairman of the Board of Directors and the Chairman of the Audit Committee. The Company Secretary presents a summary of the annual report on holdings and changes in the Company's securities in the Board of Directors' meeting.

• Reporting of Interests of Directors and Executivess

The Company has stipulated that directors and executives are obligated to report the interests of themselves and their related persons to the Company under Section 89/14 of the Securities and Exchange Act B.E. 2551 and the announcement of the Capital Market Supervisory Board No. Thor Jor. 2/2552 regarding the report of the interests of directors, executives, and related persons. The Company Secretary must make a copy of the report of the interests to present to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days of receiving the report. The Board of Directors is assigned to determine the rules and methods for reporting interests.

• History of Illegal Actions of the Company, Directors, and Executives

In 2022, the Company did not have any actions that violated any rules, regulations, or laws under the SEC's Public Limited Companies Act B.E. 2535, or other laws in the manners such as not submitting financial statements on time, providing financial assistance to connected companies or any other companies that are not subsidiaries, nor violating labor and employment laws. The directors and the executives of the company and its subsidiaries also did not violate the rules, regulations, and laws under the SEC's Public Limited Companies Act B.E. 2535, or other laws in civil and criminal issues, that is there was no actions that caused conflicts of interest, no insider trading, and no corruption or ethical offenses.

Principle 7

Maintain financial credibility and disclosure of information

The Board of Directors must ensure that the financial reporting system and the disclosure of important information are accurate, adequate, and timely under relevant rules, standards, and practice guidelines. The Board of Directors must maintain financial credibility with shareholders and other stakeholders such as investors, analysts, financial institutions, etc., as well as equally disclose such information to the public, including monitoring the financial condition of the company, the sufficiency of financial liquidity, and the ability to pay debts.

• Disclosure of Information and Transparency

The Board of Directors must disclose important financial and non-financial information related to the Company accurately, completely, and on time through the channels of the SET and the Company's investor relations website in Thai and English for equal accessibility of shareholders, institutional investors, and any individuals to build trust.

The Board of Directors is responsible for the Company's and its subsidiaries' consolidated financial statements and financial information published in the One Report. Such financial statements have been prepared under generally accepted accounting standards by consistently implementing appropriate accounting policies with discretion. Important information is adequately disclosed in the notes to the financial statements.

The Board of Directors has prepared a report on the responsibility of the Board of Directors for financial reports, along with the auditor's report in the Company's annual report to show that financial reports are accurate and reasonable, complying with accounting standards and appropriate accounting policies. The Board of Directors believes that the Company's internal control system is at a satisfactory level and can provide reasonable confidence in the credibility of the Company's financial statements as of December 31, 2022, which the independent auditor has audited under generally accepted auditing standards.

• Public Disclosure

The Board of Directors recognizes the importance of accurate, complete, and transparent disclosure of information to all shareholders, investors, and related parties equally. The Company requires that information about its operations and financial status be clearly and timely communicated within the framework of the law to enable shareholders, investors, or interested parties to understand, respect, and make an investment in the Company. Furthermore, the Company discloses information to the public to obtain a public view of the company, which is part of setting future goals and strategies of the Company. The Company has established an Investor Relations department responsible for communicating information clearly with the public.

In addition, the Board of Directors encourages the use of information technology to disseminate information by disclosing information in both Thai and English on the Company's website at https://www.i-tail.com/en/investor-relations/home

The Company will publish Management Discussion and Analysis (MD&A) and the company presentation to investors and securities analyst quarterly while reporting company news and activities to shareholders and investors in the IR-Newsletter quarterly. The IR calendar is on the Company's website when changes occur. The annual report is prepared yearly for shareholders, investors, and those interested in studying the Company's information. Public disclosure includes the Company distributing information through the SET and the Office of the Securities and Exchange Commission.

Investors and analysts can directly contact the head of the Investor Relations Department at Tel. 02-298-0029 or at itail_ir@thaiunion.com

Principle 8

Encourage participation and communication with shareholders.

The Company recognizes the rights of shareholders, such as the rights to trade or transfer shares, to receive the dividends, to receive sufficient and complete news and information about the Company, to exercise voting rights in shareholders' meetings independently and equally, and to participate in decisions making on important matters affecting the Company —the appointment or removal of directors and auditors, remuneration for directors and auditors, dividend allocation, determination or amendment of the articles of association and memorandum of association, capital reduction or capital increase, and approval of special transactions as required by law, etc. The shareholders' meeting is an important channel through which the shareholders can exercise their rights. The Company aims to provide equitable treatment to all shareholders.

• Arrangement of the Shareholders' Meeting

The Company has scheduled an Annual General Meeting of shareholders within 4 months after the end of the fiscal year which is by April 30th. In case of special agenda about the rights and interests of shareholders, the Board of Directors will call shareholders to an Extraordinary General Meeting.

The Board of Directors will supervise the shareholders' meeting to be organized, transparent, and efficient, and facilitates shareholders to exercise their rights. In addition, the Board allows shareholders to nominate persons to be elected as directors and to propose subject matters to be included in the agenda of the Annual General Meeting of shareholders by assigning the Company Secretary to notify such news electronically through the SET's and on the Company's websites to give shareholders time to propose the subject maters before the Annual General Meeting of shareholders.

Before the meeting, shareholders will receive information about the number and proportion of shareholders attending the meeting in person and the shareholders' proxies. In the meeting, the use of voting cards and independent persons to count or check votes are encouraged, and tally of the votes which are categorized as approval, disapproval, or abstention will be disclosed in each agenda and will be in the minutes of the meeting.

The Board of Directors requires the Company to disclose the resolutions of the shareholders' meeting along with the voting results within the next business day through the news system of the SET's and on the Company's websites.

Business Ethics

The Company aims to run the business both successfully and ethically. Therefore, apart from the determination and efforts in operating the business, our utmost commitment to ethics, integrity, transparency, and honesty leads the Company to sustainable success. The Company complies with the laws, rules, and regulations wherever the Company operates to ensure that the Company's operations and the performance of directors, executives, and employees are ethical and proper. The Company also follows the requirements of the SET and the Office of the Securities and Exchange Commission (SEC). The Board of Directors has established a code of conduct as a guideline for proper and appropriate ethical business operations as follows:

1. Responsibility to shareholders
2. Responsibility to employees
3. Responsibility to customers
4. Responsibility to trade partners and creditors
5. Responsibility to commercial competitors
6. Responsibility to society, community, and the environment
7. Responsibilities of employees to the Company
8. Compliance with the laws, rules, and regulations
9. Responsibility for the Company assets
10. The Company's intellectual property, information, and information technology
11. Giving and accepting bribes
12. Gifts and business entertainment
13. Disclosing information or giving public interviews
14. Conflicts of interest
15. Breaking confidentiality and disclosing inside information of the Company

All directors, executives, and employees acknowledge the guidelines for conducting business with ethics and strictly comply with the requirements. If a violation or any action against business ethics is found, complaints can be made to the Compliance and Internal Control Department which acts as a complaint-handling unit on corporate governance and business ethics. The Company's stakeholders can submit complaints on corporate governance and business ethics directly to itail_compliance@thaiunion.com or to the following address.

Mailing Address: Corporate Governance and Business Ethics Complaints, Compliance and Internal Control Department
i-Tail Corporation Public Company Limited
No. 979/92-94, 29th Floor, SM Tower, Phahonyothin Road, Phayathai Sub-district, Phayathai District, Bangkok 10400

Changes and Significant Developments in Policies, Practices, and Corporate Governance Systems in the Past Year

The Board of Directors recognizes the importance of good corporate governance to sustain the growth of the Company's operations and acceptance from domestic and overseas markets. Therefore, the Board is committed to complying with good corporate governance principles through the Company's directors and executives with a leadership vision and accountability to control and monitor the management structure and the balance of power under these important objectives as follows:

1 Achieve fair management, ethics, and transparency while taking the equal rights of shareholders and stakeholders into consideration

2 Increase the competitiveness of the business in order to build the confidence of the shareholders, investors, and all stakeholders.

3 Ensure the efficiency, stability, and sustainable growth of the Company's business, including an increase of investment value for shareholders in the long run.

In the past year, the Board of Directors has approved the appointment of sub-committees consisting of the Audit Committee, Risk Management Committee, and Executive Committee to increase efficiency in operational management, including the approval of policies related to good corporate governance as follows:

- Policy on good corporate governance
- Business ethics
- Board of Directors Charter
- Audit Committee Charter
- Executive Committee Charter
- Risk Management Committee Charter
- Scope, power, duties, and responsibilities of the Chief Executive Officer
- Scope, power, duties, and responsibilities of the Company Secretary
- Use of Inside Information Policy
- Risk Management Policy
- Anti-Fraud and Corruption Policy
- Policy on complaints and whistleblowing
- Policy on conflict of interest prevention
- Policy on connected transactions
- Environmental, Social, and Corporate Responsibility Policy
- Investment Policy
- Policy to supervise the operations of subsidiaries, joint ventures, and associated companies
- Human Resource Management Policy
- Dividend Payment Policy

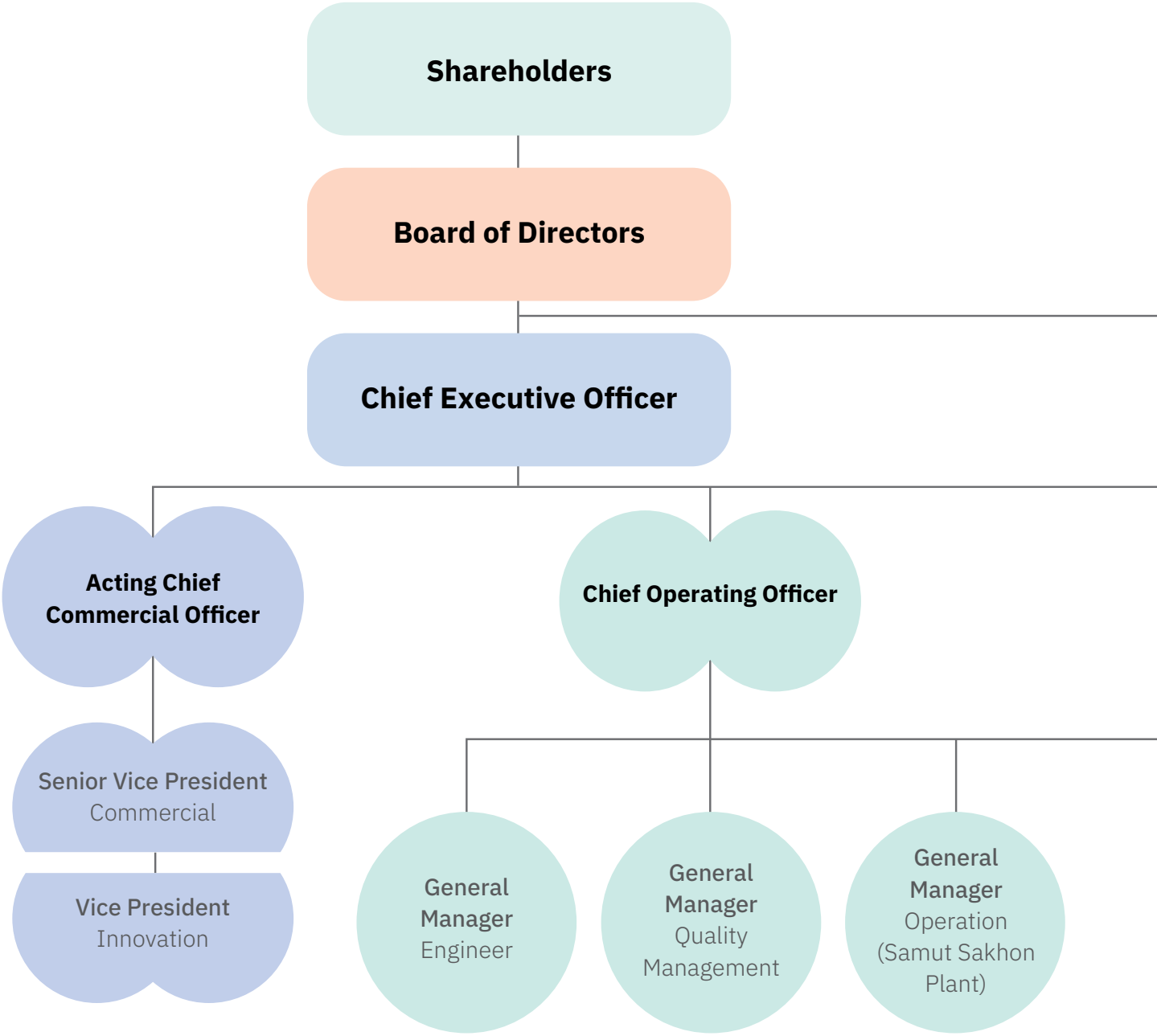
Explanation in case where the Company has not yet applied the principles of good corporate governance to listed companies

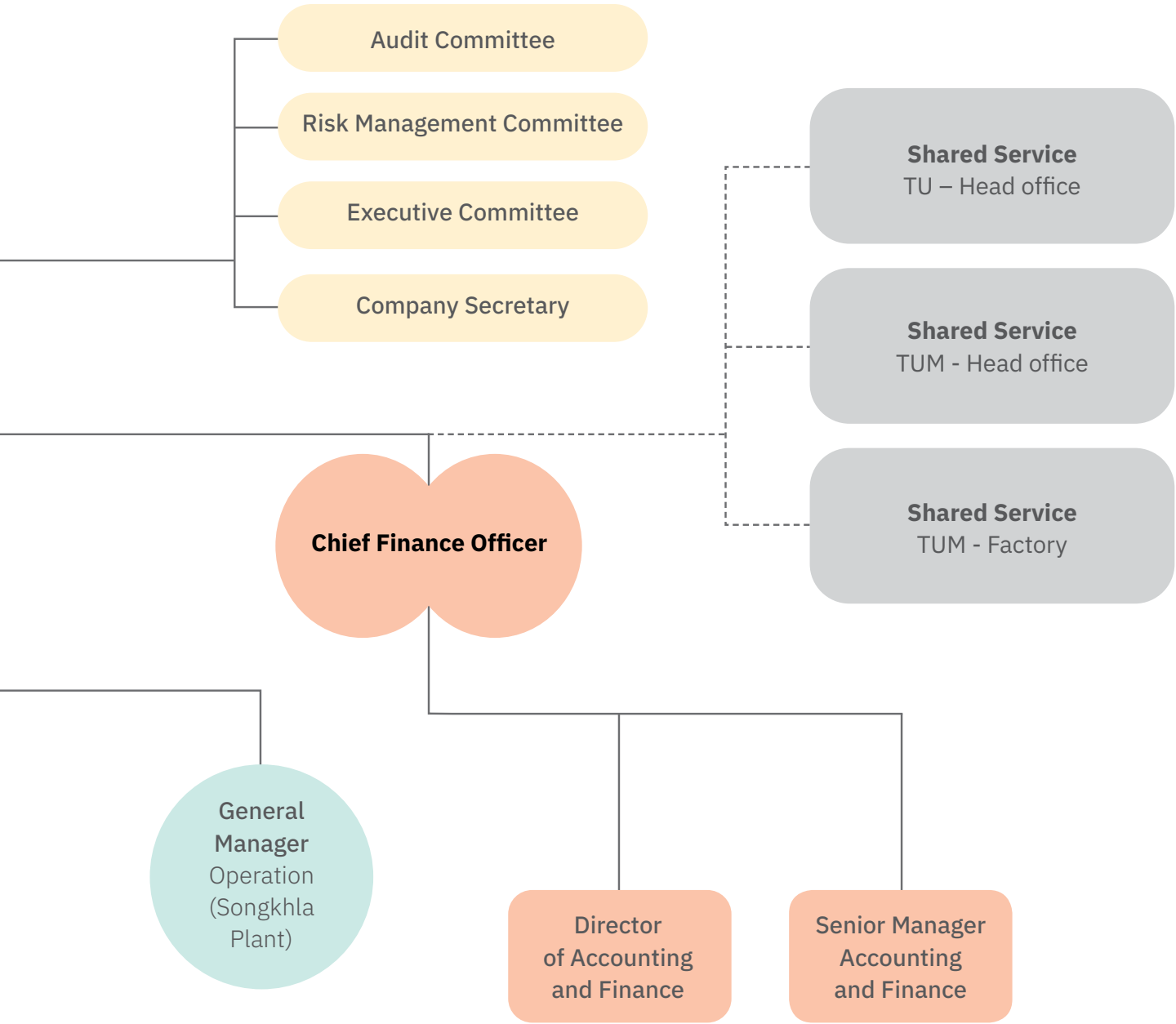
The Company has considered implementing the principles of good corporate governance for listed companies or the Corporate Governance Code (CG Code 2560), issued by the SEC, to be adapted according to the business's suitability. In 2022, for the matters that the Company has not yet implemented, appropriate alternative measures have been recorded as part of the resolution by the Board of Directors for annual review.

Corporate Governance Code	Explanation
The Chairman of the Board should be an independent director.	The Chairman of the Board of Directors is Mr. Cheng Niruttinanon. He is not an independent director. However, the Board of Directors has appointed the Chairman of the Board based on his knowledge, abilitties, and a good understanding of the business. He started doing business with i-Tail since the establishment of the Company; therefore, he has over 40 years of experience in the pet food business. He is trusted to make decisions in the Company's and its shareholders' best interest. In addition, he encourages all directors to foster an ethical corporate culture and contribute to good corporate governance, as well as strengthens good relationships between executive and non-executive directors and between the Board of Directors and the management. To promote the balance between the Board of Directors and the management under the principles of good corporate governance for listed companies, the Board has appointed an independent director, Professor Emeritus Teerachai Chantarojsiri to participate in determining the agenda for the meeting.
The Board should present a nomination of the committee. Most of the members and the Chairman should be independent directors.	The Company is in the process of studying information and considering appropriateness. Currently, the Board of Directors is responsible for evaluating criteria and methods for recruiting persons as qualified directors to provide the Board with appropriate knowledge and expertise. The Company considers the profile of some persons under the criteria before proposing at the shareholders' meeting to appoint the directors.
Director's remuneration should be comparable to industry practices.	The Company is in the process of studying information and considering appropriateness. At present, the Board of Directors is responsible for considering the remuneration structure of directors in comparison to the pay rates in the industry with the expectation of indifference before proposing at the shareholders' meeting for approval.

The structure of business management and the important information about the Board of Directors, sub-commitees, executives, and employees.

The Company has a corporate governance structure as approved by the Board of Directors, consisting of the Board of Directors and 3 subcommittees: (1) Audit Committee, (2) Risk Management Committee, and (3) Executive Committee. The Chief Executive Officer is the highest executive of the Company as shown below:




Audit Committee
Risk Management Committee
Executive Committee
Company Secretary
Shared Service
TU – Head office
Shared Service
TUM - Head office
Shared Service
TUM - Factory
Chief Finance Officer
General Manager
Operation
(Songkhla Plant)
Director of Accounting and Finance
Senior Manager Accounting and Finance

Information of the Board of Directors

The Board of Directors is appointed with the approval at the shareholders' meeting with roles, duties, and responsibilities in overseeing company operations in compliance with the law, the objectives and regulations of the Company, and the resolutions of shareholders' meetings with strict accountability, honesty, and diligence to protect the interests of the Company. The directors exercise good corporate governance in managing their roles, duties, and responsibilities in accordance with the recommended practices of the SEC and the SET for publicly listed companies.

The Board of Directors consists of 11 directors per the Company's relevant laws and regulations. Three persons are executive directors according to the definition of the SEC Notification, four persons are non-independent directors and non-executive directors according to the aforementioned definition, and four independent directors who cannot constitute less than one-third of the total number of directors. All independent directors are qualified according to relevant laws and regulations. Some independent directors have the knowledge and experience to review the credibility of the financial statements. The Board of Directors shows diversity in terms of work experience, age, education, gender, and nationality of members.

Directors authorized with binding signatures: At least two directors (except independent directors) jointly sign and stamp official documents with the company seal as authorized signatories. The Board of Directors' meeting has the authority to determine or amend the list of directors with binding signatures.

Director's Term of Office

According to the Company's Articles of Association, Chapter 4, the Board of Directors has set the terms of office of directors as follows:

- At every annual general meeting, one-third (or close to one-third) of the directors must retire from office. The directors who must retire from office in the first and second years after the company registration shall be drawn by lot. However, in the following year, the director who has been in office the longest shall retire. The outgoing director may be chosen to retake office in the future.
- If the position of the director becomes vacant for any reason aside from the end of term, the Board of Directors shall select a person who meets qualifications and does not have prohibited characteristics under the law on public limited companies and the law on securities and exchange to be a replacement director at the next board meeting. The person who becomes a replacement director will be in the position only for the remaining term of the replaced director.The resolution of the Board of Directors must consist of at least three-fourths of the votes of the remaining directors.

The Company's Articles of Association are disclosed on the Company's website.
https://www.i-tail.com/en/investor-relations/corporate-governance/corporate-registration-documents

Board Skill Matrix

Experience	Number of person
• **Finance**	
- Finance, Accounting & Economics	6
- Auditing	1
- Capital Markets	5
• **Management**	
- Risk & Crisis Management	8
- Legal	1
- Logistics / Supply Chain	7
- Information Technology	1
- Environment	3
- Human Resources	5
- Strategies / Business Transformation	5
- Marketing	6
- Corporate Social Responsibility / Sustainable Development	8
- International Business	7
- Corporate Governance	4
• **Industry Knowledge**	
- Food & Staples Retail	5
- Pet Food	5
• **Diversity**	
- Nationality	
Thai	10
Chinese	1
- Ages (Years Old)	
30-39	2
40-49	2
50-59	5
60-69	-
70-79	1
80-89	1
- Gender	
Female	2
Male	9

Service Tenure of Directors

More than 0 year – 5 years	8	72.7%
More than 5 years – 9 years	1	9.1%
More than 9 years	2	18.2%

Proportion of Independent Directors

Non-Executive Directors	4	36.4%
Independent Directors	4	36.4%
Executive Directors	3	27.2%

Directorships in Other Listed Companies

It is specified that directors may not hold more than five directorships in other listed companies for the directors to fully execute their duties efficiently. This does not include subsidiaries, associated companies, and joint ventures which the Company must oversee and manage to maintain the Company's interest.

Name of Director	Other Listed Companies
• Mr. Cheng Niruttinanon	2
• Mr. Thiraphong Chansiri	4
• Mr. Shue Chung Chan	2
• Mr. Thawee Tangchansiri	-
• Mr. Pichitchai Wongpiya	-
• Mr. Chaiwat Charoenrujitanon	-
• Mr. Nakorn Niruttinanon	1
• Prof. Emeritus Teerachai Chantarojsiri	1
• Ms. Anchalee Bunsongsikul	2
• Mrs. Sawita Suwansawat	-
• Mr. Kaweewut Temphuwapat	-

Information about Directors and Authorized Persons

As of December 31, 2022, the Board of Directors consisted of 11 members as follows:

Name of Director	Position	Date of Appointment	Years of Tenure
1. Mr. Cheng Niruttinanon(2)	Chairman	6 August 2021	1 Year 4 Months
2. Mr. Thiraphong Chansiri(2)	Vice Chairman	18 March 1999	23 Years 9 Months
3. Mr. Shue Chng Chan(2)	Director	13 August 2021	1 Year 4 Months
4. Mr. Thawee Tangchansiri(2)	Director	19 January 2011	11 Years 11 Months
5. Mr. Pichitchai Wongpiya(2)	Director / Chairman of Executive Committee/ Member of Risk Management Committee	13 August 2021	1 Year 4 Months
6. Mr. Chaiwat Charoenrujitanon(2)	Director / Member of Executive Committee / Member of Risk Management Committee	4 November 2015	7 Years 1 Month
7. Mr. Nakorn Niruttinanon(2)	Director / Member of Executive Committee / Member of Risk Management Committee	21 June 2022	6 Months
8. Prof. Emeritus Teerachai Chantarojsiri	Independent Director / Chairman of Audit Committee	24 January 2022	11 Months
9. Ms. Anchalee Boonsongsikul(1)	Independent Director / Member of Audit Committee / Chairwoman of Risk Management Committee	24 January 2022	11 Months
10. Mrs. Sawita Suwansawat	Independent Director / Member of Audit Committee/ Member of Risk Management Committee	24 January 2022	11 Months
11. Mr. Kaweewut Temphuwapat	Independent Director / Member of Risk Management Committee	24 January 2022	11 Months

Remarks:

(1) The director who has sufficient knowledge and experience to perform his/her duties to review the credibility of the Company's financial statements

(2) Directors authorized as binding signatories of the Company

Segregation of Duties of the Board of Directors

Chairman of the Board of Directors, Chairman of the Executive Committee, and Chief Executive Officer have different responsibilities. The Board of Directors has clearly determined the roles and responsibilities of the Board of Directors and the management to balance power and ensure fairness to all stakeholders.

Chairman of the Board of Directors and Chief Executive Officer

The Chairman of the Board and the Chief Executive Officer are not the same person in order to separate policy duties from management clearly.

Roles of the Chairman of the Board of Directors

The Board of Directors has determined the roles and responsibilities of the Chairman of the Board as follows:

1. Lead the Board of Directors by supervising, monitoring, and ensuring that the Board of Directors efficiently achieves the organization's objectives and main targets through its operation.

2. Encourage all directors to promote an ethical corporate culture and contribute to good corporate governance.

3. Set the agendas for the Board of Directors' meetings by discussing with the Chairman of the Executive Committee and Chief Executive Officer to ensure that important matters are included. Because the Chairman of the Board of Directors is not an independent director, the Board of Directors has appointed an independent director, namely Prof. Emeritus Teerachai Chantarojsiri, to jointly determine the agenda of the Board of Directors' meeting to promote balance between the Board of Directors and the management under the principles of good corporate governance for listed companies.

4. Provide sufficient time for the management to present matters and for the directors to discuss important issues carefully. Encourage directors to exercise prudent discretion to give opinions freely.

5. Strengthen good relationships between the executive and non-executive directors and between the Board of Directors and the management.

Roles of Chief Executive Officer

The Board of Directors has authorized the Chief Executive Officer to have management authorization including policy formulation, decision making, and ultimate management of the Company with the following duties:

1. Set the business vision, directions, policies, strategies, targets, plans, and budgets, including the structure and management authority to present these aspects to the Executive Committee and/or the Board of Directors for approval.

2. Communicate the vision, business directions, policies, and strategies of the Company that have been approved by the Board of Directors for senior executives of the Company to use as a framework for planning and managing each department's business.

3. Supervise operations under various plans, including supervising management and general administration as accepted and approved by the Board of Directors' meetings and/or the outcome from shareholders' meetings, and in compliance with the laws, regulations, and requirements of relevant agencies.

4. Ensure accurate, complete, and timely financial reporting system and financial information disclosures. Maintain an appropriate internal control system per the assigned guidelines, as well as regularly submit reports to the Board of Directors and/or sub-committees.

5. Ensure the Company has appropriate risk management and control systems under the assigned guidelines.

6. Follow up, inspect, and control the Company's performance according to its goals, as well as regularly submit a report on the performance to the Executive Committee and the Board of Directors.

7. Determine expenditures and compensation within the budget, plan, or framework approved by the Executive Committee and/or the Board of Directors according to the CEO's operational authority.

8. Have the authorization to implement legal acts within the scope specified in the Company's policies and procedures.

9. Have the power to issue orders, rules, announcements, memos, and regulations in line with policy to benefit the Company, and maintain work disciplines within the organization. Exercise good corporate governance and compliance with the law, business ethics, and anti-corruption policy.

10. Publicize the Company to the public and maintain good relations with shareholders, customers, and stakeholders.

11. Provide appropriate and regular communication channels with shareholders and provide standardized and transparent disclosures of information.

12. Have the power to delegate and/or assign others to perform specific tasks on their behalf. Authorizing a power of attorney and/or such delegation shall be within the scope of a power of attorney provided and/or under the rules and regulations. Shall not authorize a power of attorney and/or such delegation to approve transactions with which they themselves or authorized persons may have conflicts of interest, a stake, or potential benefits, except for the cases approved by the shareholders' meetings or the Board of Directors. The approval of a transaction must be in line with normal business and trade conditions.

13. Perform other duties as assigned by the Board of Directors and/or sub-committees.

Roles of the Board of Directors

The Board of Directors has roles, duties, and responsibilities in supervising the Company's operations in compliance with the law, the objectives and regulations of the Company and the resolutions of shareholders' meeting with strict accountability, honesty, and care to protect the interests of the Company under the principles of good corporate governance and best practices. The important details about the scope of duties and responsibilities of the Board of Directors are as follows:

1. Perform duties under the law, the Company's objectives, policies, and regulations, as well as the resolutions of shareholders' meetings with accountability, loyalty, and care to protect the interests of the Company and the Group.

2. Consider and approve goals, visions, missions, policies, business plans, business directions and strategies, budgets, business expansion plans, and investment plans as prepared by the Executive Committee and the management, as well as present them to the shareholders for approval (if necessary).

3. Specify and amend the names of authorized directors who are binding signatories.

4. Supervise management and operations according to the Company's goals, vision, mission, and plans.

5. Arrange the Board of Directors's meetings at least 5 times a year.

6. Follow up regularly on the Company's performance and its group of companies to make sure that it is in line with the Company's operational plan and budget.

7. Acknowledge the key potential risk factors, give opinions on risk management guidelines, and ensure that an effective risk management system is in place.

8. Approve contracts or normal operations under general trading conditions, as well as any transactions with commercial banks or financial institutions within the budget the Board of Directors can approve.

9. Approve capital expenditures, operations, and loans from financial institutions, as well as become a guarantor for normal business operations under the Company's regulations and rules including relevant rules and regulations of the SEC, the SET, and the Capital Market Supervisory Board.

10. Approve transactions proposed by sub-committees and/or management and supervise the transaction processes to make sure that they comply with the securities law, relevant announcements, rules, and regulations of the Capital Market Supervisory Board, the Office of the SEC, and the SET. The processes include related transactions, acquisition or disposal of important assets, financial report preparation, information disclosure through the financial statements, and financial statement submission to the SET and/or related agencies within the specified period.

11. Approve the quarterly financial statements that the auditor has reviewed and consider the annual financial statements that the auditor has audited before presenting them at the next shareholders' meeting for consideration and approval.

12. Consider the selection and appointment of auditors and their appropriate remunerations before presenting them at the next shareholders' meeting for consideration and approval.

13. Approve the interim dividend payment when the company is profitable enough to do so and report such dividend payment at the next shareholders' meeting for acknowledgment. Agree to the annual dividend payment to proceed to seek the shareholder approval.

14. Supervise the establishment of sufficient and effective internal control system and internal audit system.

15. Approve and comment on related transactions as specified in the Securities and Exchange Act and relevant regulations of the SET and the Capital Market Supervisory Board. Also, approve the principles of trade agreements under general trading conditions for transactions between the Company or the Group and directors, executives, or stakeholders.

16. Oversee and resolve conflicts of interest including related transactions by considering the main transactions that aim to maximize the benefits of shareholders and stakeholders.

17. Approve the appointment of persons when a director's position becomes vacant due to reasons other than retirement. Consider the appointment of directors to replace those who retired due to the expiration of term and determine the director remuneration before presenting it at the next shareholders' meeting for approval.

18. Consider and examine the independence of the persons holding independent director positions.

19. Approve the appointment of sub-committees and determine the scope, authority, and responsibilities of such sub-committees.

20. Provide a written policy on corporate governance in accordance with good governance principles by creating a sense of responsibility in performing duties, including placing importance on conducting business with social and environmental responsibility.

21. Access compliance with the corporate governance policy under good governance principles and the director performance at least once a year. Ensure the responsible operations and the consistent protection of the shareholders' interests.

22. Provide appropriate communication channels for every group of shareholders and disclose accurate, clear, transparent, and reliable information.

23. Have the power to authorize and/or assign other people to perform specific tasks on their behalf. Such authorization and/or assignment must be within the scope of delegation of a power of attorney and/or under the rules, regulations, or orders of the Board of Directors and/or the Company. However, the assignment of authority and responsibilities of the Board of Directors does not allow the Board of Directors or the persons authorized by the Board to approve transactions that may have conflicts of interest or provide personal benefits, except for the transactions approved at shareholders' meetings or by the Board of Directors. The transaction approval must be in line with normal business and normal trade conditions under the announcement of the SEC and/or the Capital Market Supervisory Board and/or the SET and/or related agencies.

24. Review the Board of Directors Charter at least once a year.

25. Perform other tasks as assigned at shareholders' meetings.

26. Approve the appointment of the Company Secretary to supervise the activities of the Board of Directors by determining the qualifications and experience of the Company Secretary to be necessary and suitable for his or her of duties to support the operations of the Board of Directors.

Independent Director

The Board of Directors will jointly consider the qualifications of the persons appointed as independent directors. Independent directors must be fully qualified under Section 68 of the Public Limited Company Act. They must not show any conflict in qualification against Section 89/3 of the Securities and Exchange Act B.E. 2535 and must not have prohibited characteristics according to the Notification of the Securities and Exchange Commission No. Kor Jor. 8/2553 regarding the Determination of Untrustworthy Characteristics of Directors and Executives of the Company (including amendments) and relevant announcements, regulations, and/or relevant rules. In addition, the Board of Directors will consider selecting independent directors from experts with work experience and suitability in other fields to be appointed as directors of the Company.

The Company has the policy to appoint independent directors at least one-third of the total number of directors, but not less than three persons. As of December 31, 2022, the Board of Directors consists of four independent directors from the total of 11 directors, which is at least one-third of the total number of directors. The qualifications of independent directors can be summarized as follows:

1. Holding shares not exceeding 1% of the total number of shares with voting rights, including the shares held by related persons of such independent directors.
2. Not being or having been an executive director, employee, staff, advisor who receives a regular salary, or has a controlling stake unless he or she has retired from such position for at least two years before being appointed. Such prohibited characteristics do not include the case where independent directors used to be government officials or a consultant to a government agency that is a major shareholder or a person with control of the company.
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including the spouse of the child of other directors, executives, major shareholders, persons with control, or persons who will be nominated as directors, executives, or controlling persons of the company or its subsidiaries.
4. Not having or having had a significant business relationship, including not being or having been a significant shareholder or controlling person of a person with a business relationship in a manner that may hinder the exercise of his or her independent judgment unless he or she has retired from the aforementioned position for at least two years before being appointed.
5. Not being or having been an auditor, a significant shareholder, a controlling person, or a partner of the audit firm with which the auditor is affiliated unless the person has retired from the position for at least two years before being appointed.
6. Not being or having been a professional service provider, including a legal advisor or financial advisor who receives service fees of more than THB 2 million per year. Not being or having been a significant shareholder, a person with controlling stake, or a partner of that professional service provider unless the person has retired for at least two years before being appointed.
7. Not being a director appointed as a representative of the Company's directors, major shareholders, or shareholders related to the Company major shareholders.
8. Not operating a business in the same industry and is in significant competition with the business of the Group of companies or a significant partner of that business. Not being an executive director, employee, staff, or consultant who receives a regular salary or holds more than 1% of the total number of shares with voting rights of any other company that operates a business in the same industry or is in significant competition with the business of the Group.
9. Having no other characteristics making the person in the position unable to express independent opinions on the Company's operations.

Meeting Attendances

Every member of the Board of Directors is willing and ready to attend meetings regularly: board meetings, subcommittee meetings, and shareholders' meetings. In addition, at a meeting of the Board of Directors, the Company has determined that all directors should attend at least 80% of the total number of board meetings held throughout the year. More details on the attendances of the Board of Directors in meetings during the year 2022 are under topic "Governance Report regarding Meeting Attendance and Remuneration for Individual Directors."

Use of Inside Information

The Company places great importance on supervising the use of inside information under good corporate governance principles to ensure that investors in the Company's securities receive reliable and timely information. The Company has established a policy on the use of insider information, which involves educating the Board of Directors and executives on their duty to report on the purchase, sale, transfer, or acceptance of transfer of securities within a specified period, and on the use of inside information policy.

Moreover, the Company limits access to non-public inside information and restricts its use. Directors and executives, including those holding executive positions in accounting or finance at the level to or higher than department manager, their spouses or cohabiting couple, minor children, and employees involved in inside information regarding financial information, including other material inside information that affects the change in the securities price, must not trade the Company's securities or persuade others to trade directly or indirectly in the period before the release of financial statements. They must not disseminate information about the Company's financial position and status or any other material inside information at least one month in advance of public disclosure. Additionally, they must not trade the Company's securities until 24 hours after public disclosure. They are also prohibited from disclosing material information that has not been publicly disclosed to outsiders or unauthorized personnel. The Company will notify such individuals of the silent period in writing. Directors and executives are aware of the penalties under the Securities and Exchange Act B.E. 2535 including related regulations.

Conflicts of Interest

The Board of Directors has established policies and measures to monitor transactions that may have conflicts of interest and connected transactions. These policies and measures are evaluated within the framework of good corporate governance, which is consistently practiced for the benefit of the Company. Transactions are carefully considered for appropriateness, as if they were transactions with third parties. The Board also prepares summary reports quarterly and regularly publishes them in the annual report.

Furthermore, if there is an agenda item during the Board of Directors' meeting in which directors and executives have interests, they must comply with the corporate governance policy by abstaining from voting or expressing any opinions on that agenda. The Company Secretary is responsible for collecting reports on interests from directors and executives in accordance with Notification of the Capital Market Supervisory Board No. Tor Jor. 2/2552, which requires reporting on the interests of directors, executives, and related persons. This requirement is based on Section 89/14 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No. 4) B.E.2551 which mandates that the Board of Directors and executives report to the Company on their own interests or those of related persons. These reports are necessary for the Company to have information to support compliance with the requirements relating to connected transactions, which may cause conflicts of interest and lead to the transfer of benefits from the Company and its subsidiaries.

Directors, executives, and employees are prohibited from engaging in businesses of the same nature or in competition with the business of the Group, whether for personal benefit or others, which may be detrimental to the Company, either directly or indirectly. Unless there is a mechanism to ensure that such actions will not affect the Company, there will be measures that are in the Company's and its shareholders' best interests.

Control System, Internal Audit, and Risk Management

The Board of Directors has established an internal audit department to monitor the internal control system regularly and to check important items to ensure that the Company has effective systems enhancing its financial statements' credibility. The Company has also established a good and efficient internal control system that defines and assesses business risks, sets measures to prevent and manage risks, and supervises compliance with relevant laws and regulations. The audit committee reviews the efficiency of the internal control system that covers the entire operation, including supervision of operations (compliance control), risk management, and the importance of unusual transactions.

The Risk Management Committee has assigned the management team to regularly assess both internal and external risk factors. The working group, consisting of management and senior executives in the departments related to those risk factors, analyzes the causes of the risk and sets risk management measures into operational guidelines to prevent or reduce the impact of that risk. The results are monitored to ensure compliance with the specified measures and the proposals are coordinated with the audit committee for reporting at the Board of Directors' meeting.

Shareholding Structure And Proportion of Shares Held by Directors, Including Spouse and Minor Children

Name of Director	Shareholding as of December 6, 2022	%	Purchased during the year	Sold during the year	Transferred in (out)	Shareholding as of December 30, 2022	%
1. Mr. Cheng Niruttinanon	5,927,980	0.26				5,927,980	0.26
Spouse and minor children	1,894,638					1,894,638	
2. Mr. Thiraphong Chansiri	14,280,807	0.58	1,020,000			15,300,807	0.61
Spouse and minor children	3,124,266					3,124,266	
3. Mr. Shue Chung Chan	451,358	0.02				451,358	0.02
Spouse and minor children	-					-	
4. Mr. Thawee Tangchansiri	283,000	0.01	30,000			313,000	0.01
Spouse and minor children	82,000					82,000	
5. Mr. Pichitchai Wongpiya	100,000	0.00				100,000	0.00
Spouse and minor children	11,716					11,716	
6. Mr. Chaiwat Charoenrujitanon	80,000	0.00	6,400	(3,000)		83,400	0.00
Spouse and minor children	-					-	
7. Mr. Nakorn Niruttinanon	857,301	0.03				857,301	0.03
Spouse and minor children	17,488		5,700			23,188	
8. Mr. Teerachai Chantarojsiri	100,000	0.00				100,000	0.00
Spouse and minor children	-					-	
9. Ms. Anchalee Bunsongsikul	-	n/a				-	n/a
Spouse and minor children	-					-	
10. Mrs. Sawita Suwansawat	100,000	0.00				100,000	0.00
Spouse and minor children	-					-	
11. Mr. Kaweewut Temphuwapat	30,000	0.00				30,000	0.00
Spouse and minor children	-					-	
Total	**27,340,554**	**0.91**	**1,062,100**	**(3,000)**	**-**	**28,399,654**	**0.95**

Board Orientations and Continuous Development of Directors

The Board of Directors determines the orientation of new directors to help them understand the Company's business and operations as well as its policies and good corporate governance practices, all of which are necessary to enable the new directors to perform their duties immediately. The Company Secretary coordinates the orientations as follows:

1. Things to know: the Company's structure and the Board's structure, scope of powers, responsibilities, and relevant laws.
2. General information about the business and its operational guidelines. In 2022, the Company appointed four new independent directors and one executive director; therefore, we organized the orientations of new directors as well as sent them the manual for new directors regarding the key policies, the relevant laws and regulations, and articles of association.

Moreover, every director participated in self-development courses to assist the Board in efficiently conducting obligations of oversight as follows:

Name of Director	Course
Mr. Cheng Niruttinanon	DAP 187/2021
Mr. Thiraphong Chansiri	DAP 10/2001
Mr. Shue Chung Chan	DCP 16/2002 EDP TLCA 1/2009 ELP 6/2016
Mr. Thawee Tangchansiri	DAP 188/2021
Mr. Pichitchai Wongpiya	DAP 188/2021
Mr. Chaiwat Charoenrujitanon	DAP 188/2021
Mr. Nakorn Niruttinanon	DAP 194/2022
Prof. Emeritus Teerachai Chantarojsiri	DAP 147/2018
Ms. Anchalee Bunsongsikul	DAP 163/2018
Mrs. Sawita Suwansawat	DAP 168/2020 DCP 292/2020
Mr. Kaweewut Temphuwapat	DAP 192/2022

DAP: Director Accreditation Program of the Institute of Directors Association
DCP: Director Certification Program of the Institute of Directors Association
ELP: Ethical Leadership Program of the Institute of Directors Association and Thai Private Sector Collective Action Against Corruption
EDP: Executive Development Program, Thai Listed Companies Association

The Performance Evaluation of Directors

The Board has determined the performance evaluation of the Board and every sub-committee at least once a year. These include the Board of Directors, the Audit Committee, the Risk Management Committee, and the Executive Committee. The evaluation form of the Board of Directors is divided into a group-evaluation and a self-evaluation.

Evaluation Process

1. The Company Secretary sends evaluation forms by email to all directors.
2. Summarize and present the evaluation results which are divided into four levels: 1. Excellent 2. Good 3. Fair and 4. Should be Improved. Then have the Chairman of the Board and the chairman of each sub-committee study and analyze the evaluation results together and determine practical methods of improvement for the director's work to help directors review their performance, issues, and hindrances over the past year to formulate methods of improvement for the Board to carry out its duties more efficiently.

The Board of Directors performance assessment as a group-evaluation

1. Structure and qualification of the directors
2. Roles, duties and responsibilities of the directors
3. The Board of Directors' meetings
4. Performance of the directors
5. The relationship with the management team
6. Self-improvement of the directors

Individual performance assessment as a self-evaluation

1. Core competency, structure and qualification of the directors
2. The Board of Directors' meetings
3. Roles, duties and responsibilities of the directors
4. Performance of the directors

Performance assessment of sub-committees as a group-evaluation

1. Structure and qualification of the sub-committee
2. Sub-committee meetings
3. Role, duties and responsibilities of the sub-committee

Performance assessment of sub-committees as a self-evaluation

1. Structure and qualification of the sub-committee
2. Sub-committee meetings
3. Roles, duties and responsibilities of the sub-committee
4. Performance of the members
5. The relationship with the management team
6. Self-improvement of the members

The Board of Directors has also determined a performance assessment of the Chief Executive Officer (CEO) according to the targets and success of that achievement under the following headings:

1) Leadership
2) Strategic direction setting
3) Strategic monitoring
4) Planning and performance
5) Board relationship
6) Community relations
7) Management and its relationship with employees
8) Succession plans
9) Knowledge and skills
10) Personal qualifications

The Company Secretary has sent evaluation forms of the Board of Directors to the directors, which summarized and presented the evaluation results to the Board of Directors in order to achieve the aforementioned objectives. The performance evaluation was as follows:

- Group-evaluation of the Board of Directors with an average score at the "Excellent" level
- Self-evaluation of the Board of Directors with an average score at the "Excellent" level
- Group-evaluation of the sub-committees with an average score at the "Excellent" level
- Self-evaluation of the sub-committees with an average score at the "Excellent" level
- CEO evaluation with an average score at the "Excellent" level.

In 2022, the Company conducted a performance assessment of the Board of Directors and every sub-committee as a group and individual. For the performance assessment results of the Board of Directors and the sub-committees, the Board of Directors had the opinion that they had fulfilled their obligations within the scope of their duties according to the principles of good corporate governance.

Information of the Sub-Committees

The structure of the Board of Directors consists of three sub-committees: the Audit Committee, the Risk Management Committee, and the Executive Committee to screen important issues before the consideration of the Board of Directors. The details of sub-committees are as follows:

1. Audit Committee

The Audit Committee has been established with the approval of the Board of Directors as an independent unit for the support and practice of good corporate governance in the name of the Board of Directors to ensure that the Company's operations are in accordance with the code of conduct and its internal control system is maintained without conflicts of interest and corruption. In addition, the correctness and reliability of the accounting system, the internal audit system, and the process of financial reporting are monitored.

The Audit Committee must consist of at least three members and all of them must be independent directors of the Company. There must be at least one member of the Audit Committee who has sufficient knowledge, understanding, or experience in accounting, finance, or auditing to review the credibility of financial statements. Other credentials include experience in business, business-related specializations, ethics, etc.

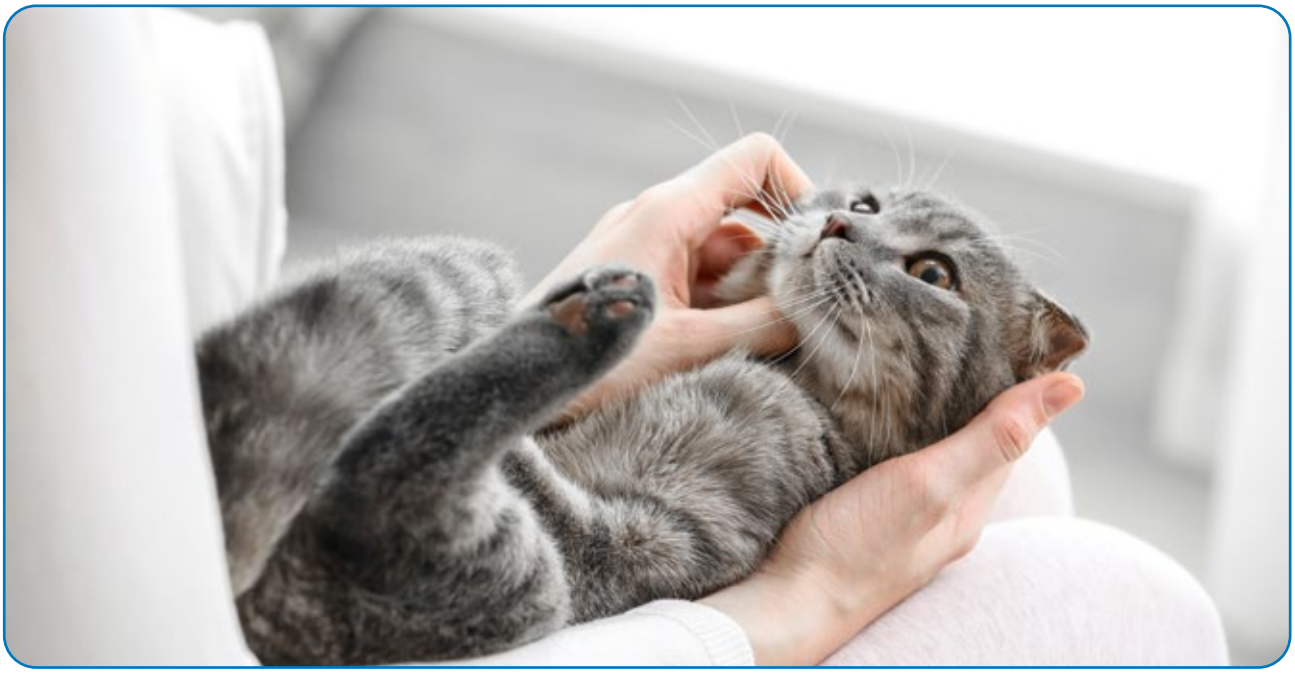
The Audit Committee shall hold at least four meetings per year and report their performance to the Board of Directors at least once a year. At present, the Audit Committee consists of three independent directors as follows:

1. Prof. Emeritus Teerachai Chantarojsiri — Chairman of the Audit Committee
2. Ms. Anchalee Bunsongsikul — Member of the Audit Committee
3. Mrs. Sawita Suwansawat. — Member of the Audit Committee

Ms. Anchalee Bunsongsikul is an independent director who has sufficient knowledge and experience to review the credibility of financial statements. The qualification and experience of Audit Committee members have been disclosed in the Attachment 1 providing information and detail of directors, executives, people who are assigned the highest responsibility in Accounting and Finance, and company secretary.

The Duties and Responsibilities of the Audit Committee

1. Review the financial reporting system and the disclosure of data in financial statements under the financial reporting standards and as prescribed by laws transparently, correctly, and adequately.
2. Promote the development of the Company's financial reporting system to meet the international standards of financial reporting.
3. Review the internal control system of the Company in accordance with proper and effective frameworks of internal control and internal audits as per generally accepted international standards.
4. Review the evaluation form of the internal control system adequacy which has been audited and evaluated by the Internal Audit.
5. Review the preventive work system in order to increase the efficiency and effectiveness of work performance; review the internal processes of the Company relating to whistleblowing and complaint handling.
6. Review the Company's audit process and risk management system.
7. Review the process of control and follow-up of work performance under the Securities and Exchange Act, regulations, and other laws relating to the Company's businesses, including resolutions of the Board of Directors' meeting.
8. Review the correctness and efficiency of the IT system relating to the internal control, financial reporting, risk management, maintenance of data safety and security, and the network; propose guidelines for up-to-date improvement.
9. Consider the related transactions or transactions with potential conflicts of interest to be in accordance with the laws and requirements of the SEC.
10. Review annually the evaluation of the overall work performance of the Audit Committee and self-assessments of work performance.
11. Review and give opinions on the work performance of the Internal Audit process; coordinate with the auditor.



12. Prepare a report of the Audit Committee to be disclosed in the Company's annual report signed by the Chairman of the Audit Committee; provide opinions on different matters as per the SEC requirements.
13. Consider, select, and nominate or dismiss an independent auditor of the Company; propose remunerations and evaluate the work efficiency of the Company's auditor; organize a meeting with the auditor without the management attendance at least once a year.
14. Consider and approve the internal audit work plans, budgets, and manpower of the Audit function.
15. Review the performance appraisal of the Internal Audit under the international standards.
16. Approve the appointment, removal, transfer, or dismissal of the head of internal audit.
17. Consider the independence of the Internal Audit function from the Company's performance of duties and reports, including the chain of command.

18. Review the adequacy of the governance system of the Company and its domestic and overseas subsidiaries.
19. Provide an external consultant to give advice or assistance on the internal audit.
20. Formally review the Charter of the Audit Committee and the Charter of the Internal Audit function at least once a year.
21. Visit units within the Company and all its subsidiaries to review the work system, the risk management system, the internal control system, the environmental management system, the active information system, including cyber security as well as problems relating to the financial statements preparation, accounting, and internal auditors; visit factories to see the production processes, warehouse management, and general environmental management.
22. Review the anti-corruption process as per the guidelines of the risk management, establishment of the internal control system, audit, and self-assessment form relating to the anti-corruption measures as audited and evaluated by the Internal Audit to ensure that the Company has the anti-corruption system as reported in the self-assessment form of the Thai Institute of Directors.
23. Facilitate members of the Audit Committee to complete the overall and individual self-assessments at least once a year and report the assessment results to the Board of Directors.
24. Take any other actions as prescribed by the laws or as assigned by the Board of Directors with approval from the Audit Committee.

In 2022, the Audit Committee regularly held meetings to fulfill its duties and reported the results to the Board of Directors. Details of the Audit Committee Performance has been disclosed in the "Audit Committee Report."

2. Risk Management Committee

The Board of Directors assigns the Risk Management Committee to oversee the overall risk management process of the organization and investment risks and make sure that it is effective and efficient. In addition, the Risk Management Committee Charter has been prepared to set a framework for risk management operations, including the precise scope of powers, duties, and responsibilities of the Risk Management Committee which helps the Risk Management Committee perform its duties effectively as assigned.

The Risk Management Committee must consist of at least five members and not more than nine members who have expertise or understanding of our business to give advice on risk management.

The Risk Management Committee shall hold at least once every quarter. At present, the Risk Management Committee consists of three independent directors and three executive directors as follows:

1. Ms. Anchalee Bunsongsikul	Chairwoman of the Risk Management Committee
2. Mrs. Sawita Suwansawat	Member of the Risk Management Committee
3. Mr. Kaweewut Temphuwapat	Member of the Risk Management Committee
4. Mr. Pichitchai Wongpiya	Member of the Risk Management Committee
5. Mr. Chaiwat Charoenrujitanon	Member of the Risk Management Committee
6. Mr. Nakorn Niruttinanon	Member of the Risk Management Committee

The Duties and Responsibilities of the Risk Management Committee

1. Determine the risk management policy and framework for the Board of Directors' consideration and approval.
2. Continuously monitor and develop the Company's and its subsidiaries' risk management frameworks and risk management processes to comply with the international standards. The Audit Committee independently reviews the risk management system to ensure that the system is appropriately implemented.
3. Regularly assess, analyze, review, and advise on the Company's and its subsidiaries' risks and risk management in normal circumstances and crises.
4. Consider and provide comments on the Company's risk appetite and risk assessment criteria.
5. Acknowledge and provide comments on the adequacy and appropriateness of the risk assessment results and risk mitigation.
6. Make sure that the risk management comply with the risk management framework.
7. Regularly report the Company's significant risk assessment, risk mitigation, and improvement to the Board of Directors.
8. Encourage cooperation in risk management within the Company and its subsidiaries.
9. Supervise and support the operation of the risk management department to be aligned with the Company's policies and objectives.
10. Communicate and exchange risk assessment and risk mitigation with the Audit Committee at least once a year.
11. Provide comments and recommendations on the use of external advisors regarding risk management framework, scope, and implementation.
12. Provide comments and recommendations on the use of external service providers when the risk management department is under-resourced.
13. Carry out any tasks related to risk management assigned by the Board of Directors.

In 2022, the Risk Management Committee regularly held meetings to fulfill its duties and reported the results to the Board of Directors. Details of the Risk Management Committee Performance have been disclosed in the "Risk Management Committee Report."

3. Executive Committee

The Board of Directors assigns the Executive Committee to be responsible for managing business operations in accordance with the Company's strategies, missions, policies, goals, business plans as well as controlling, overseeing, and supervising the business and carrying out various activities as assigned by the Board of Directors.

The Executive Committee consists of three board members and one executive officer as follows:

1. Mr. Pichitchai Wongpiya	Chairman of the Executive Committee
2. Mr. Chaiwat Charoenrujitanon	Member of the Executive Committee
3. Mr. Nakorn Niruttinanon	Member of the Executive Committee
4. Mr. Pornchai Tatiyachaitaweesuk	Member of the Executive Committee

The Duties and Responsibilities of the Executive Committee

1. Operate the business in accordance with the policies of the Board of Directors under applicable laws, rules, and the articles of association.
2. Set and present the Company's business operation policies, approaches, and strategies to the Board of Directors.
3. Set business plans, management authority, annual operation budgets, and annual expenses for the Board of Directors' consideration and approval; execute the business plans and strategies in accordance with the Company's policies and approaches as announced to the Board of Directors.
4. Invest or approve business transactions within the limit of not more than THB 50 million per transaction.
5. Undertake activities involved with the general administration of the Company; set the organizational and administrative structure as well as recruit, train, and dismiss employees.
6. Consider and approve the requisition for the loans or other credit forms from financial institutions, including acting as a guarantor or making payment for the Company's normal business, such as payments for investments, branch expansions, etc. The transaction is within the limit of not more than THB 50 million unless if deemed appropriate by the discretion of the Board of Directors.
7. Appoint or dismiss the employees of positions not higher than a managing director.
8. Perform other tasks assigned by the Board of Directors.

Also, the approval of these transactions must not allow the Executive Committee or the authorized persons from the Executive Committee to be able to approve the transactions requested by they themselves or individuals who may have conflicts of interest (pursuant to the Company's articles of association and Notifications of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand) with the Company or its subsidiaries, except in the cases of approving the transactions that are in accordance with the policies and criteria approved by the Board of Directors. Regarding this, if an executive director has a conflict of interest in the transaction, he or she is not allowed to vote, at which point the Board of Directors is authorized to amend the scope of powers and obligations of the Executive Committee, as necessary or appropriate.

In 2022, the Executive Committee regularly held meetings to fulfill its duties, giving approvals or reporting the results to the Board of Directors. Details of the Executive Committee Performance has been disclosed in the "Executive Committee Report."

Information of the Executives

As of December 31, 2022, the Company's management team, as defined by the SEC, consisted of the following persons:

1. Mr. Pichitchai Wongpiya	Chief Executive Officer
2. Mr. Chaiwat Charoenrujitanon	Chief Financial Officer
3. Mr. Nakorn Niruttinanon	Chief Operating Officer
4. Mr. Pornchai Tatiyachaitaweesuk	Acting Chief Commercial Officer
5. Mr. Paotep Premchai	Vice President - Innovation
6. Ms. Supavadee Sittijumlearnkhun	General Manager - Operation (Samut Sakhon Plant)
7. Ms. Siriporn Nareevandee	General Manager - Operation (Songkhla Plant)
8. Mr. Pramote Khwan-on	General Manager - Engineering
9. Mr. Jatuporn Wahnchid	General Manager - Quality Management
10. Mr. Weerawit Keeratikulset	Director of Accounting and Finance
11. Mrs. Untakorn Premchai	Senior Manager Accounting and Finance

Mrs. Untakorn Premchai, Senior Accounting Manager, is a qualified person in charge of the Company's accounting in compliance with the regulations of the Secretary of the Department of Business Development in the 2014 announcement on qualifications and conditions for accountants. Mrs. Untakorn Premchai is registered with the Federation of Accounting Professions in compliance with the 2004 Accounting Professions Act. In 2022, she received knowledge development training in accordance with the Department of Business Development's announcement and the SEC announcement Tor Jor. 39/2559 17 (6) (no less than 12 hours per year).

Policy on Remuneration of Directors and Management

Directors' Remuneration

Directors' remuneration is approved at the annual general meeting of shareholders after being considered and submitted by the Board of Directors. The remuneration of directors is comparable to the pay rates in similar organizations in the same industry and commensurate with the roles, responsibilities, experience, and work performance of each director. Directors with additional duties and responsibilities such as serving on sub-committees are eligible for additional remuneration as appropriate.

According to Directors' Remuneration Policy for the Year 2022, total monetary remuneration of the independent directors and non-executive directors totaling 8 persons (including independent directors and non-executive directors who resigned in 2022) was THB 4.3 million. The remuneration was paid based on each director's performance and was approved by the general meeting of shareholders on March 31, 2022, which comprised monthly retainer, annually retainer, and meeting allowances.

Committee	Monthly Remuneration (Person)	Meeting (Allowance/ Time/Person)	Remuneration/ Year (Mar. - Dec. 2022)
1. Board of Directors[1]			
• Chairman	45,000	20,000	-
• Director	25,000	10,000	-
2. Audit Committee[1]			
• Chairman	30,000	-	-
• Member	20,000	-	-
3. The Risk Management Committee[2]			
• Chairman	-	-	150,000
• Member (Independent Director)	-	-	100,000
• Member (Executive Director)	-	-	70,000

Remarks:

(1) The Board of Directors and the Audit Committee performed their duties in February 2022; therefore, the remuneration was paid in February 2022.

(2) The remuneration of the Risk Management Committee is paid annually. The Risk Management Committee performed their duties in March 2022; therefore, the remuneration was paid in March 2022.

Management Remuneration

The remuneration of management consists of a salary, contribution to the provident fund, and annual bonus, the amount of which is determined based on the Company's financial performance and the annual work performance of each executive. Compensation should be similar to that is paid in the same industry.

Work Performance Evaluation

Appraisal of work performance and compensation management for high-level executives (and for general employees at every level) are as follows:

Step 1

Acknowledge and agree on the annual operational goals so that all can work toward shared enterprise objectives.

Step 2

When the enterprise objectives are set and acknowledged as each manager's personal annual work goals, follow-ups are required to see what progress has been made because many different activities may be involved in order to reach such goals.

Step 3

The level of success in reaching the goals is evaluated on the score of 1 to 5. The evaluation scores for each area are combined and considered to determine the remuneration amount, annual bonus, and salary raise. Other components like the level of participation in achieving business goals and the Company's values are also taken into consideration.

Progress toward the Company's shared annual enterprise objectives is driven by the participation of people in many departments, each of which has also set their individual annual targets that contribute to the Company's success. The manager of each department will initiate ideas or innovations that must be compatible with the overall goals. Ideas that are jointly considered and deemed both valuable and also necessary or urgent will be selected as annual personal goals. This includes value-based objectives that might be appreciated and approved by the supervisors to become part of the work performance management process (PMP) that takes place every January.

Evaluation of goal achievements and work performances for both high-level executives and general employees includes self-evaluations in which individuals are asked to score themselves for their success and achievement. After that, the Human Resources department will combine the data and compare it to get an accurate and verifiable guideline to be forwarded to the supervisors for scoring and evaluating work results.

Management Compensation Structure

Salary

The level of base compensation reflects each employee's key responsibilities, job characteristics, experience, and skill sets. The Company pays the salary by transferring to the account on a bi-monthly basis. Base compensation is reviewed annually, and any increases are based on merit as well as market benchmarks.

The Annual Bonus

Annual bonuses are based on performance against annual targets and relevant market remuneration benchmarks. The performance bonus is tied to the annual Key Performance Indicators (KPIs) which determine overall company and individual performance evaluations and bonus awards.

Other Benefits or Compensation

The main reason for providing additional compensation or benefits is to make employees feel secure. It can be very useful when older employees suffer from health problems or when employees are injured or killed in accidents. The Company's practices regarding the provident fund, health insurance, social security fund, and other benefits are in compliance with the labor market practices and related laws.

Monetary Compensation to Executive Officers

On December 31, 2021 and 2022, the total remuneration of THB 5.3 million was paid to two executive officers and the total remuneration of THB 47.6 million was paid to 11 executive officers. The remuneration included salary, bonus, provident fund, other welfare, and retirement benefit (if any).

Non-Monetary Compensation to Executive Officers

On March 31, 2022, at the Company's annual general meeting of the shareholders, the shareholders approved to offer newly issued shares to directors, executives and/or employees to buy in the amount not exceeding 5,000,000 shares in total, at the same period and at the same price of IPO.

Employee Information

The Company's staff of 12,776 persons in total (as of December 31, 2022), are divided by divisions and departments as follows:

Unit : Persons

Division/Department	Daily Staff	Monthly Staff	Total
1. Production Department	10,676	384	11,060
2. Production Support Department	212	62	274
3. Inspection and Quality Control Department	362	229	591
4. Research and Development Department	29	68	97
5. Engineering Department	83	340	423
6. Executive Office	-	30	30
7. Sales and Marketing Department	-	52	52
8. Accounting and Finance Department	5	54	59
9. Office Administrative Department	134	56	190
Total	11,501	1,275	12,776

Note:
The above number of employees excludes 13 USPN employees as of December 31, 2022. ITA and JPN have shared service units for operation.

Human Rights and Ethical Labor Practices

The Company has a policy and commitment to promote human rights practices throughout the supply chain and has had no labor disputes in the past three years. The concepts of labor rights and the social welfare of workers are supported. The Company strictly complies with all laws and regulations related to recruitment and employment. For consistent operations under the Company's mission and values, there is a policy to manage employee compensation and welfare, which helps retain quality employees and attract talents from outside the organization. The policy focuses on rewards based on performance while considering fairness within the organization, the competition in the labor market, the culture, and the relevant laws and regulations.

Compensation Structure

The Company has a policy to manage compensation and welfare of employees to retain good employees, attract talented people from outside, and focus on rewards based on performance while considering fairness within the organization, the competition in the labor market, the culture, and the relevant laws and regulations. For consistent operations under the Company's mission and values, compensation of employees is in line with the compensation in the same industry while fairly considering the knowledge, abilities, experience, and performance of each employee by assessing the differences in the responsibilities, task complexity, experience, and skills shown in their work. Moreover, the Company has set a policy to pay rewards according to the performance of employees, the results of business operations, and the performance-based award promotions in our culture.

Employee compensation is divided as follows:

1. Compensation depends on the Company's short-term performance. For example, the salary is increased once a year with the annual bonus and contribution to the provident fund for employees at all levels. The Company contributes to the employee benefit from 2.5% to 10% of their salary, depending on the working period. In 2022, the Company contributed THB 27.78 million to the provident fund for employees.

2. Compensation depends on the Company's long-term performance. For example, the retirement benefits will be paid according to the conditions specified in the employee welfare handbook. The Company contributed THB 22.42 million to the retirement reserve fund in 2022. The total payment for the retired employees is THB 24.30 million.

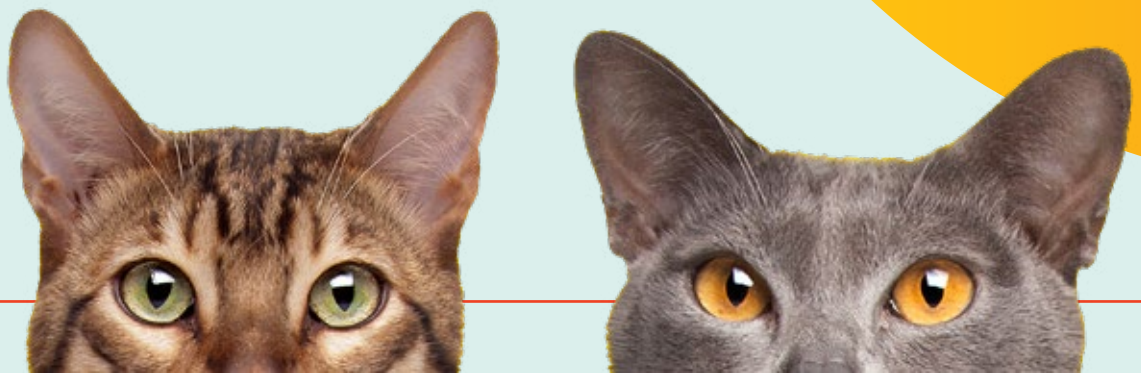
The policy for short-term and long-term compensation corresponds with the Company's performance under the annual goals and measures in line with the Company's long-term strategic plan called the Enterprise Objective. The measures are consisted of four aspects as follows:

1. Drive superior financial performance - Achieve excellence in financial management and capital efficiency.
2. Accelerate growth - Focus on innovation and strengthen the Company's reputation for excellence in innovation, creativity, and leadership in sustainability.
3. Improve productivity - Work together as an organization of continuous improvement and efficiently manage finance and resources in the organization.
4. Work on business fundamentals – Promote and support staffs who are good role models of the six values in the organizational culture and develop as well as retain talented people. The Company also focuses on maintaining and increasing employee engagement with the organization with an emphasis on long-term strategic management to improve the business and deliver the highest return.

Most of the workforce changes will be incremental because the Company still needs more workers to meet the customer demand on a large scale.

The total compensation of staff (only for i-Tail) in 2022 is approximately THB 2,797.61 million, which can be divided into:

- Salary and other income in the amount of THB 2,238.85 million
- Directors' remunerations and meeting fees in the amount of THB 5.40 million
- Annual bonus in the amount of THB 204.11 million
- Contributions to the provident fund in the amount of THB 27.78 million
- Social security and compensation fund in the amount of THB 42.00 million
- Retirement payments and provisions for employee retirement in amount of THB 46.72 million
- Other employee welfare and other expenses in the amount of THB 232.75 million



For the provident fund, the Company and the employees jointly established the fund according to the Provident Fund Act, B.E. 2530 which consists of the money that employees pay monthly at the rate of 2 to 5 percent (in case of working for more than 10 years, there are the options for accumulation up to 15 percent). The Company contributes at 2 to 10 percent of each employee's salary, depending on each employee's working period. Kasikorn Asset Management Company Limited manages the Company's provident fund under the name "Provident Fund of Thai Union Group, Registered Company."

The Company's policy for selecting the provident fund manager is based on the resolution from the meeting of the Provident Fund Committee. The Committee will consider and vote at the meeting to select the manager by considering his or her qualifications as appropriate for efficient management of the Company's provident fund to get maximum return.

For employee benefits after the termination (Benefit Program), the Company evaluates the obligation under the benefit program in case of termination by using the projected unit credit method. An independent expert assesses the obligation based on the actuarial techniques in compliance with the labor laws to set aside money every year and notes in the liabilities section of the financial statements under the Accounting Standard No. 19 on Employee Benefits, giving assurance that the Company will be able to pay retirement gratuity to employees according to their rights in the future. In addition, the Company also considers maintaining employee income in wages and benefits in case of temporary interruptions in business operations. Then, the Company extends the benefit coverage of the insurance policy regarding the impacts on its operations to cover the employees' income which may be affected by any disruptions.

The Company also provides welfare and arranges various activities employees to promote the well-being of the employees. The outcome should have positive effects on the work and livelihood of employees. The following areas are under the scope of the Company practices:

• Activities to promote good health of the employees:

1. Group life and health insurance
2. Accident insurance
3. Annual health check
4. Random drug testing
5. Staff nurse's office in the factory
6. Organize exercise areas, gymnasiums, soccer fields, and recreation areas for employees and their families

• Activities to encourage unity among the employees and engagement with the organization:

1. New Year's Eve and Chinese New Year parties. Due to the COVID-19 pandemic, these events were changed to lucky draws to give away gifts to the employees. New Year's activities and annual religious activities (Buddhism and Islam) were organized according to the new normal ways of living, which allowed employees to participate in appropriate measures to prevent the spread of the disease.
2. Relationship-building activities such as a photo contest for pet owners to share their photos of themselves and their pets.
3. Religious activities such as the Kathin ceremony, robe offering, candle offering, and Eid al-Fitr.
4. Health promotion activities such as the establishment of a football club, running club, and the HR activity that invited people to run for good health.
5. Community relations activities in collaboration with government agencies, on important observance days such as the International Coastal Cleanup Day and Children's Day. The employee representatives participated in the activities.

• Activities to make employees feel relaxed and enjoy the organization:

1. Factory reading room
2. Happiness on a special day: a photo contest to show happiness in the month of an employee's birthday
3. Activities during some festivals. For example, a singing contest participated by employee representatives.
4. Educational support for local schools in the form of monthly scholarships

In addition, the Company provides other benefits such as uniforms, staff dormitories, training sessions, and study visits. The Company encourages employees at all levels to acquire knowledge and new skills by offering scholarships.

Preparation of Succession Plans

The preparation process for succession plans is done in conjunction with the talent review process and the individual development plans. The human resources department and the executives of each department will jointly assess the potential of employees and then define a clear development plan for each employee by focusing on the employees who can be successors, including the ones with high potential. The capacity analysis is used in the development stages of the plan. The process includes having a conversation with the employees about their career goals and expectations, and then the monitoring and evaluation of development results will be conducted regularly.

The Board of Directors has recognized the importance of succession planning for senior executives, especially the leadership positions within the organization, namely the Chief Executive Officer (CEO) and top management positions in the subsidiaries, both domestic and international, as the key for the organization's success. The Chief Executive Officer and the human resources department are responsible for determining the criteria for selection employees for the succession plans in order to maintain confidence among all stakeholders.

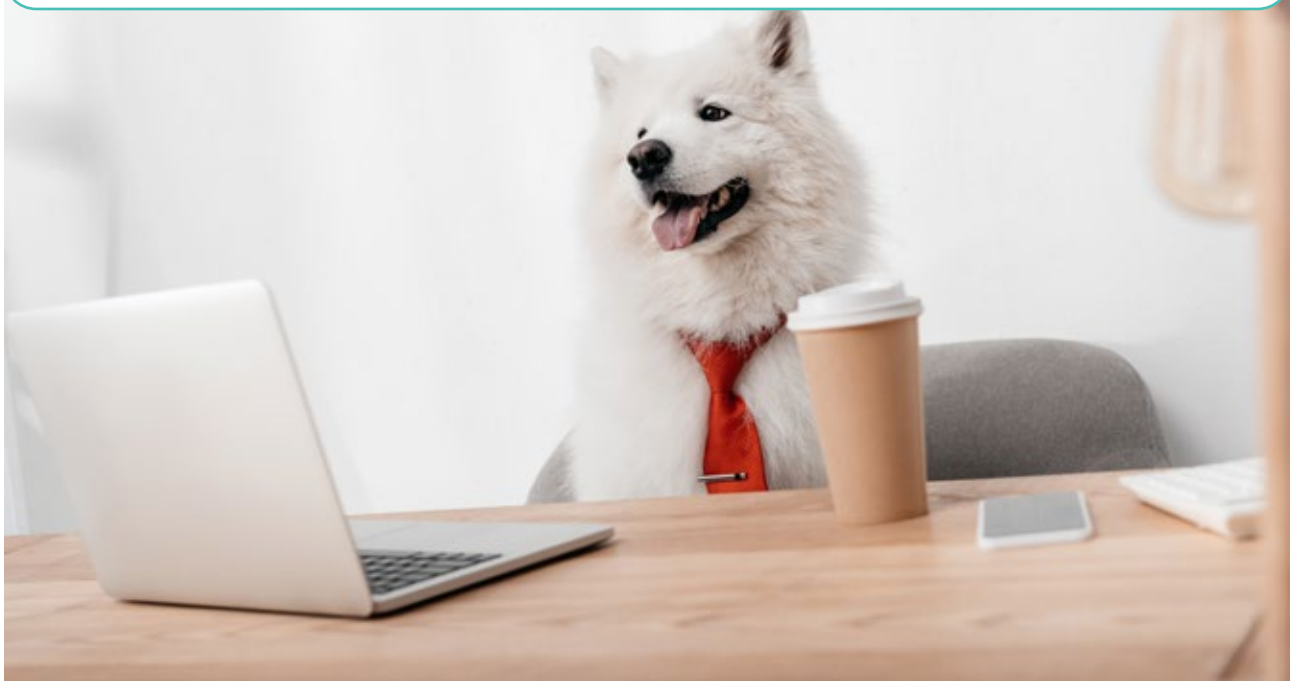
The Company has a policy to review essential positions to drive the organization's business. These positions have a direct impact on the results of the organization. The consideration process for succession planning is in effect every year, both in the long term and in case of emergency.

The human resources department will coordinate the succession plans by arranging a joint meeting between the executives of the main departments and the top HR executives. Apart from strengthening the capacity of business operations, the meeting can reduce risks in business continuity.

The Company's succession plans are divided into two major categories as follows:

1. Succession Plans for Critical Positions. This type of succession plans is based on the period of time the successors are expected to be available for the position, which can be divided into three groups as follows:
   a. Ready to assume the position immediately (ready now)
   b. Ready to assume the position in 2 - 3 years
   c. Ready to assume the position in 3 - 5 years

2. Emergency Succession Plans. These plans are for the temporary replacement of executives in key positions in case emergency. The Company has encouraged each executive to name their emergency successor. The work may be detailed in bullet points by the person responsible for each department.



Employee Complaint Handling Process

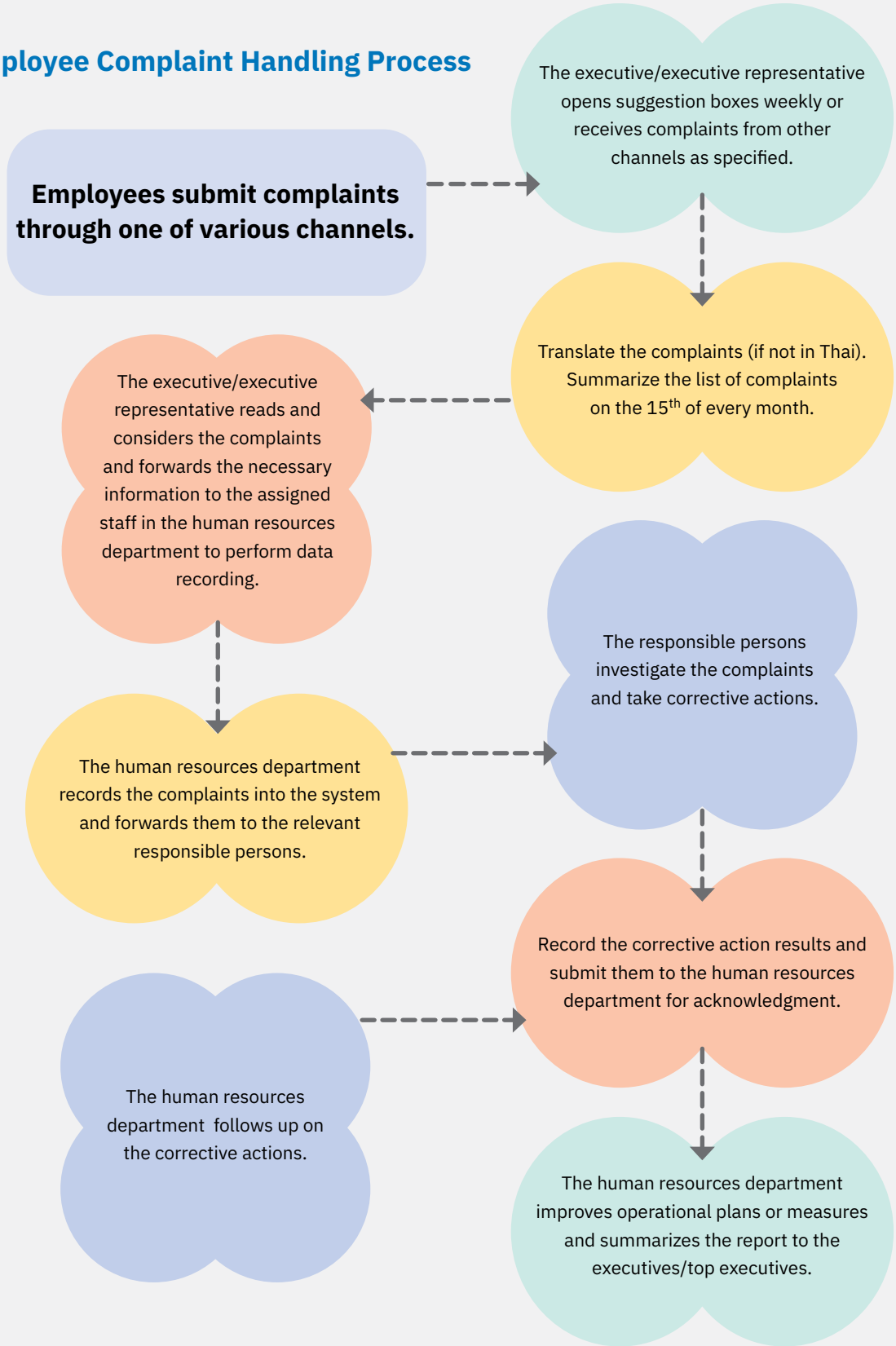
Due to the Company's requirements for executives and employees to comply with business ethics, and prepare a manual of business ethics and labor practices to promote, support, and help monitor the appropriate compliance with the code of conduct, the Company has opened channels for the employees to report unethical behaviors or corruption. The employees can inquire if there is any doubt or if they need help in understanding the manual. They can also suggest better practical guidelines. The information about the channels is as follows:

Complaint and Suggestion Channels

Employees can leave their complaints or suggestions along with their name, address, and telephone number (the information will be kept confidential and does not affect the complainants) at these following channels:

1. Executives, supervisors, or human resources manager (as determined and publicized by the Company)
2. Complaint/Suggestion boxes in the Company's premises
3. Telephone: 02-298-0029
4. Website: https://www.i-tail.com/en/investor-relations/corporate-governance/whistleblowing-form
5. Mail to the Chief Executive Officer

Employee Complaint Handling Process



Measures to Protect and Maintain Confidentiality of Complainants or Whistleblowers

Reporting will be kept confidential for the safety of the complainants or the persons who cooperate in the investigation. There is no phone recording.

Employees who report clues or complaints will be protected and defended by the laws and the guidelines set by the Company.

Other Important Information

Persons responsible for governance inspection:

1. Head of Internal Audit

Name Miss Orawan Phunamsarp
Position Internal Audit Manager
For qualifications, see Attachment 3

2. Head of Accounting

Name Mrs. Untakorn Premjai
Position Senior Manager Accounting and Finance
For qualifications, see Attachment 1

3. Company Secretary and Head of Compliance Unit

Name Miss Napapat Angkunboonyachoke
Position Compliance and Internal Control Manager
For qualifications, see Attachment 1

Head of Investor Relations

Name Miss Neroli Goldman
Position Head of Investor Relations Department
E-Mail itail_ir@thaiunion.com
Tel. 02-298-0029 ext. 2810
062-591-2792

Independent Auditors

PricewaterhouseCoopers ABAS Co., Ltd.
Mr. Pongthavee Ratanakoses CPA No. 7795 or
Mr. Chanchai Chaiprasit CPA No. 3760 or
Ms. Amornrat Pearmpoonvatanasuk CPA No. 4599

Remuneration of the Company's Independent Auditors

1. Audit fees

In the fiscal year 2022, the Company and its subsidiaries paid the audit fees of THB 4.71 million to the auditing firm where the independent auditors are hired.

2. Non-audit fees

In the fiscal year 2022, the Company and its subsidiaries paid a non-audit fee of THB 9.32 million in total to PricewaterhouseCoopers ABAS Co., Ltd. where independent auditors are attached to audit on agreed-upon procedures in relation to BOI promotion certificates, assuring for special purposes, and expressing an opinion on information relating to international offering (comfort letter).

Individuals or entities related to the independent auditors or auditing firms where the independent auditors are hired are not the Company's related parties.

Corporate Governance Report

Performance Summary of the Board of Directors in 2022

The Company recognizes the importance of conducting business under good corporate governance to help promote the Company's sustainable and acceptable growth. Therefore, the Board of Directors has established a policy on good corporate governance based on the Principles and Guidelines for Good Corporate Governance Practices for Listed Companies 2017 issued by the Securities and Exchange Commission. This policy stipulates the qualifications of directors to be diverse in terms of skills, experience, gender, and special abilities that are beneficial to the Company. It also stipulates the requirements regarding the recruitment of executives with leadership, visions, and accountability and the supervision of an adequate internal control system and risk management of the organization to achieve the controlling and monitoring management structure and the balance of power with straightforward practices and guidelines for fair management with justice, ethics and transparency by taking into account the rights and equality of shareholders and stakeholders. This policy enables the Company to increase competitiveness, which affects the confidence of shareholders, investors, and all stakeholders, the efficient and stable business operations, and the creation of sustainable value for the Company.

Recruiting, Developing, and Evaluating the Performance of the Board of Directors

Independent Directors

According to the Company's corporate governance policy, the Board of Directors must have independent directors at least one-third of the total number of directors and at least three persons with a 3-year term of office each. The Board of Directors will make sure that the qualifications of independent directors comply with the Public Company Limited Act, Securities and Exchange Act, and any announcements by the Capital Market Supervisory Board, including relevant notifications, regulations, and/or rules.

Independent directors mean persons who have the qualifications as specified by the Board of Directors in the Company's corporate governance policy, the regulations of the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC) as follows:

1. Not holding shares exceeding 1% of the total shares with voting rights, including those held by persons to the independent directors.

2. Not being or having been a director, executive director, employee, staff, consultant who receives a regular salary, or a controlling person of the Company, unless released from the said position at least two years prior to the appointment.

3. Not being a blood relative or legal registration as a parent, spouse, sibling, child, and stepchild of another director, executive, key shareholder, or controlling person of the Company.

4. Not having or having had a business relationship with the Company Group, a key shareholder, or a controlling person unless released from the said position at least two years prior to the appointment.

- These business relationships include all transactions, including ordinary business transactions, business support, rental of real estate, transactions involving assets/services, and giving or receiving financial assistance.
- Levels of significance considered dependent are based on either the value of the transactions being equal to or greater than THB 20 million or equal to or greater than 3% of the Company's net tangible assets, whichever is lower. The transactions shall be calculated in accordance with the connected transaction rules, but the debt transactions shall be taken into account as obligations for one year.

5. Not being or having been an auditor of the Company Group, a key shareholder, or a controlling person of the Company, nor a shareholder, a controlling person, or a partner of the Company's audit firm unless released from the said position at least two years prior to the appointment.

6. Not being or having been a professional service provider, including a legal or financial advisor, who receives service fees of more than THB 2 million per year, nor being a key shareholder, a controlling person, or a partner of that professional service provider unless released from said position for at least two years prior to the appointment.

7. Not being appointed as a representative of the Company's director, a key shareholder, or a relative of the Company's key shareholder.

8. Not operating a similar business that is in significant competition with the Company, nor being a partner, director, employee, staff, or consultant who receives a regular salary or holds more than 1% of the total number of shares with voting rights of another company that operates a similar business that is in significant competition with the Company.

9. Not having other characteristics that make him or her unable to express independent opinions on the Company's operations.

Directors

The Nomination of Directors

The Board of Directors will jointly consider the recruitment and selection of directors, including directors of sub-committees, with a transparent and straightforward process by considering the committee's composition, the candidate's qualifications, experience, history of law violation, and elements of independence to establish a qualified Board of Directors and sub-committees in compliance with the legal composition requirements and predetermined criteria aligning with current and future business directions. The Board of Directors will call a meeting to consider the criteria and methods for recruiting persons who have knowledge and expertise suitable for the business operations of the Company. Then, the Board will present it to the Board of Directors and/or at a shareholders' meeting to consider and approve the appointment of such persons under the charter, policies, and regulations of the Company, as well as the requirements of relevant laws.

The Appointment and Retirement by Rotation

The Board of Directors has approved the Charter of Board of Directors, including the appointment and their term of office as follows:

1. At every annual general meeting of shareholders, one-third of the directors shall retire from office. If the number of directors cannot be divided exactly into three groups, then the number nearest to one-third shall retire from office.

2. A director will vacate the office upon the expiration of term, resignation, death, disqualification, characteristics prohibited by law, or related requirements according to the Company's Articles of Association, a resolution of shareholders' meeting to vacate the office, or a court order to remove. However, for the resignation of a director before the end of his or her office term, said director must submit a resignation letter at least 30 days in advance. If a director's position becomes vacant for reasons other than the expiration of term, the board of Directors shall elect a person with suitable qualifications to be a replacement director at the next board meeting unless the remaining time of that director is less than two months. The person who becomes the replacement director will hold the position only for the remaining term of the director replaced. In this case, the elected replacement director must receive the votes of at least three-fourths of the remaining directors.

3. The Company's Articles of Association stipulate that the election of the Company's directors decided at a shareholders' meeting under the following rules and procedures:

(a) To elect directors, each shareholder has one vote per share.

(b) Each shareholder must use all of his or her votes to elect one or more candidates to be directors, but cannot give the right to use those votes to anyone in any amount.

(c) In descending order, candidates receiving the highest votes will be elected as directors up to the number until all directors are selected. If the number of elected persons exceeds the number of directors needed because they receive the same amount of votes, the chairperson of the meeting shall have a casting vote.

Top Executive

Top Executive Recruitment

The Board of Directors ensures the recruitment of top executives (including the Chief Executive Officer) who have the knowledge, skills, experience, and necessary characteristics to drive the organization toward its goals. The Board of Directors may authorize the Executive Committee to consider the criteria and methods for recruiting qualified persons for the position of Chief Executive Officer and supervise the Chief Executive Officer to ensure that appropriate top executives are hired. The Board of Directors or the Executive Committee (in case that the Board of Directors delegates such duties to the Executive Committee) and the Chief Executive Officer will jointly consider the criteria and methods for recruiting and appointing persons nominated by the Chief Executive Officer as top executives. In addition, the Board of Directors recognizes the importance and necessity of the succession of top executives of the organization, especially in the position of Chief Executive Officer, by establishing the criteria for the succession of critical positions of top executives.

In this regard, the executives who are recruited by the aforementioned methods must not have the following prohibited characteristics:

1. A person under receivership by the court or being bankrupt
2. A person who is incompetent or quasi-incompetent
3. A person whose name is on the blacklist who the SET deems inappropriate to be an executive according to the regulations of the SET
4. A person who is currently being accused of any offense regarding unfair actions relating to securities trading or deceitful, fraudulent, or dishonest management under the law on securities and stock exchange; the laws regarding capital business, securities business, and credit foncier business; commercial banking law; life insurance law; or similar financial business laws whether they are Thai or foreign issued by an agency with legal powers
5. A person who has ever received a judgment, has ever been fined, or is being prosecuted for committing any offense mentioned in 4
6. A person who has been fired, dismissed, or laid off because of fraudulent actions
7. A person who has a history of intentionally disguising the financial status or actual performance of a company whose shares are listed securities, or of a company that has offered securities to the public or made false claims or concealed material facts that should have previously been stated in documentsthat must be disclosed to the public or submitted to the Office of the SEC
8. A person who, while working as a director or executive of a company whose shares are listed securities or a company that has offered securities to the public, shows the lack of honesty, faithfulness, and carefulness in protecting the company's interests and causes severe damage to the company or its shareholders
9. A person who neglects his or her duties to ensure the Company and its subsidiaries do not violate and comply with the laws, the Company's objectives and regulations, and the resolutions of shareholders' meetings

Meeting Attendances and Remuneration of Directors

The meeting attendances of the Board of Directors in 2022 are as follows:

Names of Directors	Number of Attendances/Total Number of Meetings		
	Board Meetings	General Meeting of Shareholders	Extraordinary Meetings of Shareholders
1. Mr. Cheng Niruttinanon	8/9(3)	Attended the meeting	2/2
2. Mr. Thiraphong Chansiri	8/9(3)	Attended the meeting	2/2
3. Mr. Shue Chung Chan	9/9	Attended the meeting(4)	2/2
4. Mr. Thawee Tangchansiri	9/9	Attended the meeting	2/2
5. Mr. Pichitchai Wongpiya	8/9(3)	Did not attend the meeting(3)	2/2
6. Mr. Chaiwat Charoenrujitanon	9/9	Attended the meeting	2/2
7. Mr. Nakorn Niruttinanon(2)	4/4(2)	-	-(2)
8. Prof. Emeritus Teerachai Chantarojsiri(1)	8/9(3)	Attended the meeting	-(1)
9. Ms. Anchalee Bunsongsikul(1)	9/9	Attended the meeting(4)	-(1)
10. Mrs. Sawita Suwansawat(1)	9/9	Attended the meeting(4)	-(1)
11. Mr. Kaweewut Temphuwapat(1)	9/9	Attended the meeting(4)	-(1)

Note :

(1) The appointments were made at the Extraordinary Meeting of Shareholders No. 2/2022 on January 24, 2022.

(2) The appointment was made at the Board of Directors Meeting No. 5/2022 on June 21, 2022.

(3) Due to their business obligations, they could not attend the meeting.

(4) Directors attended the Annual General Meeting of Shareholders via electronic means.

The details of monetary remuneration of directors for the year 2022 are as follows:

Names of Directors	Remuneration of Directors (THB)				
	Board of Directors		Audit Committee	Risk Management Committee	Total
	Monthly Compensation	Meeting Allowance	Monthly Compensation	Annual Remuneration(1)	
1. Mr. Cheng Niruttinanon	495,000	160,000	-	-	655,000
2. Mr. Thiraphong Chansiri	275,000	80,000	-	-	355,000
3. Mr. Shue Chung Chan	275,000	90,000	-	-	365,000
4. Mr. Thawee Tangchansiri	275,000	90,000	-	-	365,000
5. Mr. Pichitchai Wongpiya	275,000	80,000	-	70,000	425,000
6. Mr. Chaiwat Charoenrujitanon	275,000	90,000	-	70,000	435,000
7. Mr. Nakorn Niruttinanon	150,000	40,000	-	42,000	232,000
8. Prof. Emeritus Teerachai Chantarojsiri	275,000	80,000	330,000	-	685,000
9. Ms. Anchalee Bunsongsikul	275,000	90,000	220,000	150,000	735,000
10. Mrs. Sawita Suwansawat	275,000	90,000	220,000	100,000	685,000
11. Mr. Kaweewut Temphuwapat	275,000	90,000	-	100,000	465,000

Note :

(1) Remuneration for the Risk Management Committee was paid annually. The Risk Management Committee commenced their duties in March 2022 and was paid from March to December 2022.

Other Remuneration of Directors

The 2022 Annual General Meeting of Shareholders resolved to offer the newly issued ordinary shares to directors, executives, and/or employees of the Company and its subsidiaries (ESOP) in the amount of not more than 5,000,000 shares at a par value of THB 1 per share, whereby the Chairman of the Board of Directors has the right to subscribe for 200,000 shares and the members of Board of Directors have the right to subscribe for 100,000 shares during the same period as the initial public offering (IPO) and at the same offering price of THB 32 per share as the IPO.

Supervision of Subsidiaries and Associated Companies

The Company has established a policy to supervise the operations of subsidiaries, joint ventures, and associated companies to determine both direct and indirect measures and mechanisms to ensure that the management of subsidiaries is compliance with the Company's policies, laws, announcements, rules, and regulations of regulatory bodies to protect the interests of the Company's investments. The practice relies on the following guidelines:

1. Determine key policies and management systems to ensure that the management guidelines for subsidiaries are consistent and heading in the same direction as the Company.

2. Assign the Company representives to be directors of subsidiaries, joint ventures, and associated companies according to the shareholding proportion to supervise operations according to regulations, laws, and the Company's policies. The Board of Directors will consider and approve persons to be representative directors.

3. Approve capital increase, amend articles of association and memorandums of association, determine the annual budget, appoint auditors for significant subsidiaries, oversee loan and credit applications, or lending money, dissolve, connected transactions and other transactions that may have conflicts of interest, monitor significant acquisitions or dispositions of assets that the Company must seek approval from the Board of Directors, as well as disclose information or other actions that are not normal business transactions to the SEC or the SET.

4. Monitor and supervise the directors and executives appointed to be directors and executives of subsidiaries, joint ventures, and associated companies to perform their duties according to the laws, regulations, and policies of the Company.

5. Ensure that the subsidiaries submit financial reports, and have internal control system, risk management system, fraud prevention system, and other necessary work systems.

6. Monitor the performance of subsidiaries and associated companies to ensure that their operations truly and continuously meet the Company's plans, budgets, and policies. Monitor connected transactions and other transactions that may have conflicts of interest, significant acquisitions or dispositions of assets, and other actions that they comply with the criteria and relevant notifications of the Capital Market Supervisory Board, the Office of the SEC, and the SET.

As of December 31, 2022, the Company does not have associated companies and joint ventures, but has three subsidiaries (including indirect holding companies) namely U.S. Pet Nutrition, LLC, i-Tail Americas, Inc., and Japan Pet Nutrition Co., Ltd.

Monitoring to Ensure Compliance with Corporate Governance Policies and Guidelines

Compliance with Policies and Guidelines on Corporate Governance

The Company places importance on good corporate governance by setting goals, policies, and relevant guidelines in the good corporate governance policy and business code of conduct, including promoting actual practice to build confidence among all groups of stakeholders.

The Board of Directors has monitored the past operations to ensure good corporate governance, which covers fair labor practices, fair consumer treatment, care for the environment, health and safety in the organization, and information security. The Company has wholly followed the guidelines. The Board of Directors has complied with the laws, objectives, regulations, and resolutions of the shareholders' meetings, including adhered to and complied with the principles of good corporate governance of listed companies according to the guidelines set by the SET and the SEC.

Prevention of Conflicts of Interest

The Company has established a policy to prevent conflicts of interest for related personnel to perform their duties and make decisions on any business transactions and other matters for the best interests of the Company, shareholders, and investors. The Company should avoid actions that may cause conflicts of interest by following guidelines as follows:

The Company requires that its directors, executives, and employees must not seek personal benefits that conflict with the Company's interests. If there is any conflicts of interest, those involved in the problematic transactions must notify the Company and not participate in or approve such transactions. Actions that may cause conflicts of interest include any operations that compete with the Company, the use of Company's information to seek benefits, and the acts of shareholding or being a director in of other businesses, etc.

The Company requires its directors, executives, and employees to prepare disclosure documents on business operations, their own interests and related persons' interests that may have conflicts of interest with the Company or its subsidiaries, both directly and indirectly, to the Company Secretary once a year or when there are significant changes in the details of the information already disclosed.

Directors, executives, and employees should avoid making transactions that are considered connected transactions according to the Notifications of the Capital Market Supervisory Board, the Office of the SEC, or the SET, which may cause conflicts of interest with the Company.

If the directors, executives, employees, and related persons enter transactions that are considered connected transactions, the Company must comply with the rules, methods, and requirements for disclosure of said connected transactions and the acquisitions or dispositions of the Company and its subsidiaries' assets specified by the Capital Market Supervisory Board, the Office of the SEC, and the SET.

If the connected transaction is not under general trading conditions as approved by the Board of Directors or if its nature and size are beyond the management's control, the Audit Committee will consider and comment on the matter before asking approval from the Board of Directors or shareholders.

Using Inside Information for Personal gain

The Company has operated business by taking into account our shareholders, investors, stakeholders, the economy, and society. To supervise of the Company's directors, executives, and employees relating to the use of the Company's inside information for personal gain, a policy is established as a guideline for managing inside information and the practices of the directors, executives, and employees. The policy content can be summarized as follows:

The Company educates its directors and executives as required by the Capital Market Supervisory Board relating to their duties to report their holdings and changes in securities held by themselves, their spouses, cohabiting persons, minor children, including juristic persons of which directors and executives collectively have more than 30 percent of the total voting rights. The directors and executives must act on their own and arrange for their related persons to prepare, disclose, and submit reports on their holdings and changes in securities holdings to the SEC office and submit a copy of this report to the Company Secretary. Directors and executives, including their spouses, cohabiting persons, minor children, and employees who have received the inside information that affects the price of securities shall be prohibited from trading and persuading others to trade the Company's securities, either directly or indirectly, for at least in advance before the disclosure of the financial statements and/or other material inside information, and shall not trade the Company's securities until at least 24 hours after the public disclosure of said information. The material information that has not yet to be disclosed to the public must not be given to outsiders or persons without relevant responsibilities.

The designated directors, executives, and persons of the Company may conduct transactions related to the Company's securities during the period of suspended trading of securities if such persons are in a situation of necessity. A memorandum must be prepared to state the reasons and submitted to the Company for approval, and the securities must be traded within three business days of receiving a written approval notification.

In addition, the Company has limited the access to the inside information that has yet to be disclosed to the public which shall only be given to the related directors, subcommittee members, executives and employees.

Fraud and Corruption Prevention

The Company has established an anti-fraud and corruption policy as a guideline for conducting business with integrity by adhering to the importance of social responsibility and all stakeholders under the management framework and using the principles of good corporate governance, the processes that meet the needs of society while making the best use of resources at their disposal, and the transparent business operations. The Company has an internal control and audit systems to reduce the chance of corruption within the organization and show the intention and determination to prevent fraud and corruption in all forms. The policy requires directors, executives, or employees to perform their duties without relying on or allowing others to exercise the power of their positions, either directly or indirectly, in order to gain unlawful benefits to oneself or others or to create undesirable outcomes for others. The Company has communicated with, trained, and educated its directors, executives, and employees about the anti-fraud and corruption policy and guidelines. It also provides channels for whistleblowing and complaints of dishonest or corrupt acts. There are measures to protect and maintain the identities of whistleblowers and complainants. If the Company finds persons who have committed bribery, fraud, and corruption, or policy violations, it will assume that said persons have violated the Company's work regulations and are subject to disciplinary actions or persecution according to the relevant laws if their actions are illegal.

Duties and Responsibilities

1. The Board of Directors is responsible for auditing and ensuring that the Company's business operations are transparent, verifiable, and in compliance with the policies, guidelines, and procedures about fraud and corruption prevention. The Audit Committee oversees the internal control system covering financial and operational aspects of accounting, storage of data, and other methods involved in anti-corruption measures. The Audit Committee provides channels for complaining about or whistleblowing of actions that may lead to corruption, gives advice on compliance with anti-corruption measures, and regularly reports the audit results to the Board of Directors.
2. The executives are responsible for implementing this anti-fraud and corruption policy, and raising awareness about the policy among stakeholders inside and outside the organization by establishing appropriate management systems and measures to supervise and promote the Company's operations. The executives regularly review and adjust the anti-corruption system and measures according to the changes in the relevant laws and the industry.
3. The executives and employees at all levels are responsible for monitoring and preventing corruption risks in their assigned work, and providing channels for whistleblowing of fraudulent acts or corruption risks.

General Practices

1. Directors, executives, and employees must perform their duties independently and must not allow other people to exercise the power of their positions, whether directly or indirectly, in order to gain unlawful benefits for themselves or others.
2. In addition to other people performing their assigned duties, the actions in clause 1 also include:
   - Giving or receiving gifts or services
   - Giving or accepting cash or cash substitutes
   - Bribery of government officials or third parties or taking bribes
   - Embezzlement of the Company's assets or the Company time
   - Money laundering
   - Inhibition or obstruction of judicial and legal processes
   - Political contributions, whether in financial or other forms, such as the provision of goods and services or promotional advertising
   - Charitable contributions
   - Subsidies

As of December 31, 2022, the Company has not received reports of bribery, fraud, or corruption.

Whistleblowing

The Company has established a policy on complaints and whistleblowing to enforce against its directors, executives, employees, customers, contractors, and stakeholders. The Company has established a reliable process, methods, and channels for the Company's employees, customers, contractors, and stakeholders to inform the Company about any misconducts involving the directors, executives, employees, and representatives of the Company. In addition, the Company has established a policy to protect complainants or whistleblowers, witnesses, and other persons who provide information from disciplinary actions or other consequences from their supervisors or executives. Complaints or whistleblowing must be made in good faith, not as libels or threats. Moreover, the Board of Directors has provided complaint channels for when stakeholders have been affected by the damage caused by the Company's operations or by any employees or groups committing fraudulent or illegal activities. Complaints can be filed at:

1. Suggestion and complaint boxes
2. Directly submit verbal or written complaints to:
   - Supervisors at all levels who are trusted by the complainants
   - Human resources manager
   - Company Secretary
   - The Board of Directors
   - The Audit Committee
3. The Company's website:
   https://www.i-tail.com/en/investor-relations/corporate-governance/whistleblowing-form
4. By mail: send a letter directly to the Chairman of the Audit Committee / Head of Internal Audit
   i-Tail Corporation Public Company Limited
   979/92-94, 29th Floor, SM Tower, Phahonyothin Road, Phayathai Sub-district
   Phayathai District, Bangkok 10400
   Tel. 02-2980029

As of December 31, 2022,
the Company has not received
any whistleblowing reports.

Audit Committee Report

Dear Shareholders,

The Audit Committee of i-Tail Corporation Public Company Limited ("the Committee") has been appointed by the Company's Board of Directors ("the Board"), with the primary responsibility to assist the Board in reviewing the accuracy of the Company's financial reports, along with the adequacy and effectiveness of the internal control and risk management systems, as well as the compliance with all the laws and regulations pertaining to the Company's business operations. The Committee also oversees the performance of both internal and external auditors.

The Committee consists of three independent directors. All of the Committee's members meet the qualifications set by the Office of the Securities and Exchange Commission ("the SEC") and the Stock Exchange of Thailand ("the SET"). During the year 2022, the Committee held a total of seven meetings with the Company's management and both internal and external auditors. All of the Committee's members attended these meetings. List of the Committee's members and the number of meetings attended are shown below.

Name	Position	Status	Meeting attendance
1. Prof. Emeritus Teerachai Chantarojsiri	Chairman of the Audit Committee	Independent director	7/7
2. Ms. Anchalee Bunsongsikul	Member of the Audit Committee	Independent director	7/7
3. Mrs. Sawita Suwansawat	Member of the Audit Committee	Independent director	7/7

The Committee carries out its duties independently in accordance with the defined roles and responsibilities set forth in the Audit Committee Charter approved by the Board. The Committee's significant activities have been summarized as follows:

1. Review of Financial Statements

The Committee reviewed the quarterly and annual financial statements of i-Tail Corporation Public Company Limited for the year 2022 and the consolidated financial statements of the Company and its subsidiaries, in collaboration with the Company's management and external auditors. The external auditors expressed an unqualified opinion on the financial statements. The Committee believes that the Company's financial statements were presented fairly in accordance with the Thai Financial Reporting Standards, which is in conformance with the International Financial Reporting Standards. The disclosures of information were also adequate, complete, and reliable.

The Committee reviewed and agreed with the Company's pro forma consolidated financial information for the year 2020-2022, which was disclosed in the Company's Registration Statement for Securities Offering and the prospectus as part of the application for the issuance and offering of the Company's ordinary shares to the SEC and the SET. The external auditors concluded that the pro forma consolidated financial information was in compliance with the basis and assumptions defined by the Company.

Furthermore, the Committee held a private meeting with the external auditors without the presence of the Company's management to independently discuss the matters regarding the annual audit plan, audit approaches, significant information in the financial statements, key audit matters, along with the problems or difficulties in performing their duties. The external auditors confirmed their independence with no problems in performing their duties as they had received good cooperation from both the management and the operational personnel. In addition, the Committee received the report from the external auditors that they did not found any suspicious circumstances in which a director, executive, or other person responsible for the Company's operations might be suspected of committing an offense under Section 89/25 of the Securities and Exchange Act (including all amendments) during the year 2022.

2. Review of connected transactions, acquisition/disposition transactions, and other transactions that might lead to conflicts of interest

The Committee reviewed and provided opinions regarding the Company's connected transactions and transactions that might lead to conflicts of interest, as presented by the management. After consideration, the Committee believes that these transactions were reasonable, made in the best interests of the Company, and complied with both the Company's policy and all the related regulations defined by the regulatory units and the SET. Disclosures of information were also accurate, complete, and adequate.

3. Review of the corporate governance and regulatory compliance

The Committee reviewed the Company's compliance with the laws on securities and exchange, the SET's regulations, and the laws pertaining to the Company's business operations, especially the rules in relation to the initial public offering activities (IPO) and the engagement into connected transactions and/or other transactions that might lead to conflicts of interest.

In addition, the Committee reviewed and provided recommendations to the management in the preparation of the Corporate Governance Policy and other relevant policies e.g. Code of Conduct, Conflict of Interest Prevention Policy, Connected Transaction Policy and Procedures, Anti-Corruption Policy, Whistleblowing Policy, Insider Policy, etc., which are important components to create an effective governance system as well as stakeholders' confidence. The Committee also conducted a self-assessment to evaluate its performance, according to the good governance principles, by using the evaluation form stipulated in the SEC's Audit Committee Handbook. The evaluation results were satisfactory.

4. Review of the risk management system

The Committee reviewed the effectiveness of the risk management system through the Risk Management Committee, which comprises of three independent directors and three executive directors. One of the Committee members, who is an independent director, was appointed as the Chairwoman of the Risk Management Committee. The Risk Management Committee had performed their duties on a quarterly basis: reviewing and monitoring the risk management process; assessing the likelihood of significant risks and their impact; considering various measures to mitigate those risks to an acceptable level that is in alignment with both internal and external environments of the Company.

5. Review of the internal control system

The Committee reviewed the audit results regarding the Company's internal control system, over both its operational and IT processes, along with the results of remedial actions taken by the management, which were reported periodically by the internal audit department. The Committee also reviewed the effectiveness of the Company's internal control system using the SEC's guidelines. The Committee concluded that the Company's internal control system was adequate and appropriate for its business operations. This corresponded with the internal audit results that found no indication of fraud or material flaws in the internal control system, and the external auditor's opinion that there was no material deficiencies that might affect the Company's financial statements.

6. Internal auditing

The Committee oversees an independence of the internal audit activities, which includes the consideration and appointment of the person with adequate and appropriate qualifications and experiences as the Company's head of internal audit; the approval of the internal audit charter and an annual internal audit plan; and the review of the internal audit's independence and performance on a quarterly basis. The Committee also provides guidance to the internal auditors to ensure that they perform their duties effectively and efficiently while complying with the internal audit plan.

7. Appointment of the Company's external auditors and approval of their audit fees for the year 2023

The Committee had considered the independence, knowledges, business understanding, quality of works, and qualifications of the external auditors along with the appropriateness of their audit fees before recommended that the Board propose the appointment of Mr. Pongthavee Ratanakoses, Certified Public Accountant no. 7795 and/or Mr. Chanchai Chaiprasit, Certified Public Accountant no. 3760 and/or Ms. Amornrat Pearmpoonvatanasuk, Certified Public Accountant no. 4599, all from Pricewaterhouse Coopers ABAS Limited ("PwC") as the Company's and its subsidiaries' external auditors for the year 2023 at the Annual General Meeting of Shareholders. Any of the auditors can conduct the audit and express their opinions on the Company's financial statements. In the absence of the abovementioned auditors, PwC has to nominate another external auditor within PwC to the Committee for consideration before resuming the work.

In conclusion, the Committee believes that it has performed duties in governing and reviewing the Company's operations in accordance with the scope of responsibilities as defined in its charter, using its knowledge and expertise with utmost care and independence, while receiving good cooperation from the Company's management. The Committee also believes that the Company's financial statements were presented fairly and reliable in accordance with the Thai Financial Reporting Standards. All disclosures of information were complete and adequate. Moreover, the Company's internal control and risk management systems are both appropriate and effective with no material deficiencies that might affect the Company's financial statements and business operations. In addition, the Company has complied with all related laws, rules, and regulations throughout the year.

Prof. Emeritus Teerachai Chantarojsiri
Chairman of the Audit Committee

Performance Summary of Other Sub-Committees

Risk Management Committee

The list of the Risk Management Committee members and the number of meeting attendance in 2022

Name	Position	Status	Meeting Attendance
1. Ms. Anchalee Bunsongsikul	The Chairwoman of the Risk Management Committee	Independent Director	5/5
2. Mrs. Sawita Suwansawat	Risk Management Committee	Independent Director	4/5(3)
3. Mr. Kaweewut Temphuwapat	Risk Management Committee	Independent Director	5/5
4. Mr. Pichitchai Wongpiya	Risk Management Committee	Director	4/4(1)
5. Mr. Chaiwat Charoenrujitanon	Risk Management Committee	Director	5/5
6. Mr. Nakorn Niruttinanon	Risk Management Committee	Director	3/3(2)

Notes:

(1) The appointment was made at the Board of Directors meeting No. 4/2022 on May 5, 2022.

(2) The appointment was made at the Board of Directors meeting No. 5/2022 on June 21, 2022.

(3) Due to an obligation, she could not attend one meeting.

Risk Management Committee Report

Dear Shareholders,

The Board of Directors appoints the Risk Management Committee to supervise the efficiency and effectiveness of the overall risk management of the organization and the processes of risk management in investment, which aim to increase positive outcomes and opportunities, reduce variables that affect operations and risks, increase the flexibility of the organization, and improve the use of resources.

Throughout the year 2022, the Risk Management Committee performed its assigned duties according to the charter of the Risk Management Committee and the principles of good corporate governance. The Risk Management Committee has reviewed the implementation of risk management and investment risks and provided adequate and appropriate advice on risk management.

The Risk Management Committee has considered the risk management framework and process to be efficient and appropriate and received full support from the management. Significant risks were identified and appropriately managed through the risk management process to achieve i-Tail's goals.

The Risk Management Committee held a total of five meetings, and its key tasks are as follows:

Review of Risk Profiles and Mitigation Strategies

The Company continues to manage operational risks using strategies, especially in 2022 when the world was full of challenges such as the impact of the COVID-19 pandemic, the competitiveness in the pet food industry, economic conditions, inflation, fluctuations in currency exchange rates, and a dramatic increase in policy interest rates. Such risks directly and indirectly impact the Company, especially the increasing cost of raw materials, packaging, ingredients, energy, transportation, and wages.

The Risk Management Committee has considered various risks and mitigations and advised executives to ensure that the existing measures were comprehensive and able to sustainably support the business.

For the effectiveness of a group-wide risk management, the Risk Management Committee is also tasked to consider other corporate risks covering various aspects as follows:

1. Consider corporate risks and develop mitigation strategies that align with the ever-changing external and internal environment:

1.1 Strategic Risks - Risks related to the industry, innovation, and sustainability;

1.2 Operational Risks - Risks related to the market price and raw material availability, labor force, food safety and production safety, supply chain management, occupational health and safety, and cyber security;

1.3 Legal and Compliance Risks - Risks related to the laws and regulations, occupational health and safety requirements, and various regulations of foreign countries where the Company operates or delivers products to its customers;

1.4 Financial Risks - exchange rate, interest rate, liquidity, and investment.

2. Consider the risk management policy and framework, the charter of the Risk Management Committee, the acceptable risk level, and the risk assessment criteria.

3. Consider risks and risk management of new investment projects, including establishing any new overseas subsidiaries. The details are as follows:

3.1 Investment in the automatic warehouse project in Songkhla Province;

3.2 Establishment of a subsidiary in China;

3.3 Establishment of a subsidiary in the Netherlands;

The Risk Management Committee reported key risk profiles, risk mitigation strategies, and its recommendations to the Board of Directors for further consideration quarterly.

Embed Risk Management in the Company Culture

The Risk Management Committee has promoted risk management policies in all departments. The executives have communicated risk management to employees to acknowledge and comply. The Committee promoted a risk management culture in various activities in 2022 as detailed below.

1. Promoted risk awareness and gave advice at quarterly Risk Management Committee meetings. The risk management department gathered information and performed a group-wide risk assessment.

2. Supervised the efficient and effective risk management process.

3. Provided regular training to enhance knowledge and understanding among the executives and employees on risk management.

4. Advised the management to assess the effectiveness of risk management by reviewing risks, opportunities, uncertainties, and performance to improve the risk management of the whole organization.

Foresight Looking

The effects of various circumstances cause many uncertainties. However, the Company prepares to adapt to new business trends that change rapidly by enhancing the efficiency of risk management as follows:

1. Develop risk management to support the Company's goals. The Company strives to be the world's leading pet-centric company that proactively delivers science-backed innovations to drive better well-being of pets, their owners, and the planet everyone shares. The Company has considered the risk factors affecting the strategies and operations to achieve its strategic plans and goals.

2. Encourage the management to analyze and assess emerging risks from ocean plastic. The Company has been cooperating with the Thai Union Group to manage these emerging risks.

The Risk Management Committee has considered the risks and then performed its duties as assigned by the Board of Directors with knowledge, competence, caution, and prudence and has given various suggestions for the utmost benefit of the Company, shareholders, employees, customers, suppliers, and stakeholders.

Ms. Anchalee Bunsongsikul
The Chairwoman of
the Risk Management Committee

Executive Committee

The list of the Executive Committee members and the number of meeting attendance in 2022

Name	Position	Status	Meeting Attendance
1. Mr. Pichitchai Wongpiya	Executive Chairman	Board Member	22/22
2. Mr. Chaiwat Charoenrujitanon	Executive Director	Board Member	22/22
3. Mr. Nakorn Niruttinanon(1)	Executive Director	Board Member	13/13
4. Mr. Pornchai Tatiyachaitaweesuk(2)	Executive Director	Management	16/16

Note :

(1) The appointment was made at the Executive Committee meeting No. 5/2022 on June 21, 2022.

(2) The appointment was made at the Executive Committee meeting No. 4/2022 on May 5, 2022.

Executive Committee Report

Dear Shareholders,

The Board of Directors approved establishing the Executive Committee for flexibility in the administration and acting on behalf of the Board of Directors consisting of three board members and one management, a total of four persons who are knowledgeable, competent, and experienced in the pet food business.

In 2022, the Executive Committee held a total of 22 meetings and performed duties within the scope of duties and responsibilities outlined in the Executive Committee Charter. The essences of the duties are as follows:

1. Set the Company's vision, mission, goals, and business strategies, including the annual operating and investment budgets for the year 2022.

2. Review the authorization framework to ensure that it is appropriate and consistent with current operations and propose to the Board of Directors for approval and oversee the operation in accordance with the authorization framework.

3. Review the risk management that may affect the Company's business operations, acceptable risk level, risk assessment criteria, and risk mitigation plans.

4. Consider and approve capital investment expenditures within the scope and authority of the Executive Committee and in accordance with the Company's direction and strategies.

5. Consider establishing new subsidiaries overseas to support the growth of the pet food market in China and Europe.

6. Consider borrowing or applying for any credit from financial institutions during the year 2022 to use as working capital and consider payment for transactions as the normal course of business.

7. Consider, give advice, and approve actions related to the general administration of the Company to achieve the strategic plan and goals.

8. Set the Company's business strategies, goals, operating Master Plan, and annual operating and investment budgets for the year 2022 to support the long-term strategic plans of 2023-2025, including the corporate and business unit key success metrics for the year 2022.

9. Perform other duties as assigned from time to time by the Board of Directors, such as considering transactions related to the Initial Public Offering (IPO) and the listing of the Company's shares on the Stock Exchange of Thailand.

Mr. Pichitchai Wongpiya
Chairman of The Executive Committee

Statement on the Board of Director's Responsibilities for the Financial Statements

Dear Shareholders,

The Board of Directors hereby expresses its responsibility for ensuring that the financial statements and the consolidated financial statements of i-Tail Corporation Public Company Limited and its subsidiaries that are contained herein genuinely reflect their actual financial position and operating results. These are based on accounting principles which require accurate, complete, and adequate recording of accounting items in every aspect. The aforementioned financial statements were prepared in accordance with the generally accepted accounting standards, using careful judgement and the best estimation. The adequate disclosure of all important information in notes to the financial statements is in accordance with the updated accounting standards for the Company's shareholders and investors. The independent auditor has unqualifiedly expressed his opinion on the Company's financial statements in the independent auditor report.

The Board of Directors has appointed the Audit Committee which comprises independent directors who are responsible for reviewing the accounting policy, financial reports, internal controls and internal audit, risk management system, and disclosure of related party transactions. in compliance with the regulations of the Securities and Exchange Commission and the regulations of the Stock Exchange of Thailand. All opinions of the Audit Committee on these issues are presented in the Audit Committee Report included in this 56-1 One Report.

The financial statements and consolidated financial statements of the Company and its subsidiaries have been audited by an independent auditor, Mr. Pongthavee Ratanakoses CPA # 7795 from PricewaterhouseCoopers ABAS Ltd. He has given an assurance that he retained an independence to work without being impeded, and received full cooperation from the Company's management and personnel to conduct the audit and express his opinion in accordance with the generally accepted auditing standards. The independent auditor's opinion is presented in the independent auditor's report included in this 56-1 One Report.

The Board of Directors believes that the Company's overall internal control system functions at a satisfactory level and has affirmed the credibility and reliability of the financial statements and consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2022. The financial statements present the Company's financial position, operating results cash flow, and changes in shareholders' equity fairly, in all material respects and in a reliable manner so that such statements are in compliance with the generally accepted accounting principles and all governing laws and regulations.

Mr. Cheng Niruttinanon
Chairman

Mr. Pichitchai Wongpiya
Chief Executive Officer

Internal Control and Connected Transactions

Internal control

Summary opinions of the Board of Directors in relation to the Company's internal control system

At the meeting of the Board of Directors no. 1/2023 held on February 20, 2023, the Board evaluated the adequacy of the internal control system based on the assessment form developed by the Office of the Securities and Exchange Commission (SEC) which includes the Audit Committee's opinion. After asking the management questions and assessing the Company's internal control system regarding five components which aligned with the COSO 2013 internal control framework (The Committee of Sponsoring Organizations of Treadway Commission). These components are the control environment, risk assessment, control activities, information and communication, and monitoring activities. The Board concluded that the Company's internal control system was adequate and effective, and had no material deficiencies. The Company had allocated sufficient personnel to undertake the internal controls efficiently. Moreover, the Company had an adequate and effective monitoring system for safeguarding the Company's and its subsidiaries' assets from misappropriate use by the directors or management as well as entering into transactions with individuals who may have conflicts of interest or connected parties.

In addition, the consolidated and separate financial statements of i-Tail Corporation PCL and its subsidiaries as of December 31, 2022 were audited by the independent certified public accountants in conformance with the Thai Standards on Auditing (TSAs). The Company's auditor, PricewaterhouseCoopers ABAS Ltd., had exercised a professional judgment and maintained professional skepticism throughout the audit which included identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error; designing and performing the audit procedures in response to those risks; obtaining sufficient and appropriate evidence to express their opinions; and understanding the internal controls relevant to the audit, in order to design the appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal controls. After auditing, the external auditors expressed their unmodified opinions on the financial statements of the Company.

Key internal control components of the Company can be summarized as follows:

1. Control Environment

• The Board of Directors comprises of a diverse range of capable individuals. More than one-third or 36% of the Board members are independent. The Board is responsible for defining the Company's strategic directions as well as overseeing the effectiveness of the Company's operational management. Sub-committees of the Board have been appointed to oversee and supervise matters related to the internal audit and risk management.

• The Board and management pay attention to the control environment and corporate cultures; therefore, they drew up the Corporate Governance Policy and Code of Conduct, which defined various good governance practices. The Company has communicated these policies to its directors, executives, and employees for their acknowledgement and adherence, and also disclosed them to individuals outside the Company via its website.

• The Company defined the appropriate organizational structure and reporting lines that enable the achievement of the Company's various objectives, under the oversight of the Board of Directors. Authority and responsibilities are delegated to employees based on the demonstrated competence of each person. Scope of authority and responsibilities are clearly defined to create check and balance mechanism.

• All personnel of the Company are responsible and accountable for implementing the internal controls, while the Internal Audit Unit, which is independent and reports directly to the Audit Committee, is responsible for performing an audit to ensure the checks and balances.

• The Company defined the procedures for planning and administering the overall workforce in the short and long term. An annual analysis and revision of manpower has been conducted, and it shows that the Company has retained employees by providing incentives both monetary and non-monetary, including good welfares. Succession plans are also developed for every position throughout the Company's structure with transparency and fairness.

2. Risk Assessment

• The Company places importance on the management of risks relevant to the achievement of its objectives; therefore, it developed the risk management policy and framework, which were approved by the Board, in order to use them as a guideline in managing risks both at the enterprise and operational levels, with the supervision of the Risk Management Committee and the coordination of the Compliance & Internal Control Unit. The Risk Management Committee comprises of three independent directors and three senior executives. The Chairwoman of the Risk Management Committee is an independent director.

• The Company holds a meeting of the risk management working group to identify and assess various risks both at the enterprise and operational levels, as well as determine the approaches to mitigate the risks, prepare the Key Risk Indicator (KRI), and report risk management results to the Board of Directors on a quarterly basis.

3. Control Activities

• The Company established control activities through written policies and standard operating procedures which defined work instructions, responsible persons for each process, segregation of duties and related documents, and the appropriate level of authority to approve each transaction. These control activities were deployed in combination of manual control, automated control, preventive control, and detective control.

• The Company defined an approval authority framework as a guideline stipulating an authority of the Company's Board of Directors and management to approve any business transactions. The Company has also set up a Connected Transactions Policy and rules for reporting vested interests of the directors, executives, and related persons to prevent conflicts of interest that may arise from transactions between the Company and any related persons.

• The Company set up the IT general controls to monitor various work processes in order to ensure that the Company's IT systems are appropriate and efficient. These controls include drawing up IT and Information Security Policy, which covers the IT infrastructure control activities; defining approaches and responsible persons for proposing and approving the procurement and development of the IT systems; and developing and providing advices to users. In addition, the Company also defined measures in order to ensure the compliance with the relevant laws and regulations, including the Personal Data Protection Act (PDPA).

4. Information & Communication

• The Company emphasizes the quality of information to support the internal control activities; therefore, it implemented the information systems that can collect and process the data with accuracy and completeness in a timely manner to support operations in all activities, as well as enable the effective preparation of various management reports.

• The Company prepares its reports with sufficient significant information for the Board of Directors' and the sub-committee's consideration and decisions by submitting them prior to the Board or sub-committee meetings, in accordance with the defined timeline. The minutes of the Board or sub-committee meetings with complete information are also prepared and maintained along with important documents by the Company Secretary for further review or reference.

• The Company provides various internal communication channels, including the channels between top management to employees through the Town Hall, intranet, email, and new employee orientations.

• The Company defined an Insider Policy in order to provide guidance when disclosing any of the Company's significant information to external parties. The Company also provides a channel for external parties to contact with the Company, for which the investor relations unit will be the coordinator.

• The Company established a Whistleblowing Policy and provided the official grievance channels through the Company's website and email, along with a clear handling guideline so that the employees and third parties can be assured that their complaints will be considered with transparency, fairness, and discretion in a timely manner.

5. Monitoring Activities

• The management and supervisors of each department are responsible for establishing various monitoring systems to ensure the effectiveness of the internal control system.

• The internal audit unit also reviews the internal control practices to ensure that they are adequate and consistently functional. In case of deficiencies found, they will be discussed by the relevant management in order to define a remedial action, along with the preventive or mitigation measures. The unit also monitors the practices to ensure the corrective actions are taken in a timely manner. This is reported every quarter to the Audit Committee.

Opinions of the Audit Committee

The Audit Committee considered the evaluation of adequacy of the internal control system with the Board of Directors and did not have an opinion that was different from the opinion of the Board of Directors in any way.

The Audit Committee provided its opinions on the Company's good corporate governance, risk management, internal controls, internal audit and IT audit in 2022, as detailed in the report on performance of the Audit Committee.

Internal Audit System

The internal audit unit is an independent unit that reports functionally to the Audit Committee. It is responsible for providing assurance and advice to ensure that he Company's business processes are duly equipped with efficient corporate governance as well as an effective and efficient risk management and effective internal control practices to achieve the corporate objectives. The internal audit unit has prepared an annual audit plan by adopting a risk-based approach to cover the key risks of business operations of the Company and its subsidiaries, both domestic and international. It reports the audit results to the Audit Committee for consideration on a quarterly basis as well as periodically monitors the corrective actions taken in response to the internal audit unit's recommendations. In 2022, the internal audit unit freely expressed its opinions. No conflict that were not resolved has arisen between the audited units and the internal audit unit. The internal audit unit concluded that the Company's internal control systems was adequate, effective, and efficient.

Head of the Internal Audit Unit

At the Audit Committee meeting no. 6/2022, held on October 24, 2022, the Audit Committee appointed Ms. Orawan Phunamsarp as the Head of Internal Audit and the Secretary to the Audit Committee of i-Tail Corporation PCL as she has an appropriate education with extensive internal audit working experience of 19 years, along with the appropriate training experiences. Accordingly, the Audit Committee concluded that Ms. Orawan Phunamsarp was seen fit to perform these duties. The qualification of the head of the internal audit unit can be found in Attachment no.3.

The appointment, termination, transfer, and consideration of the annual performance assessment of the head of the internal audit unit must be considered and approved by the Audit Committee.

Related Party Transactions

The Company and its subsidiaries engage in transactions with individuals or entities that may have conflicts of interest, such as directors, executives, major shareholders, and related companies. These transactions can be summarized as follows:

	Entities Who May Have a Conflict of Interest	Nature of the Business	Relationships
1	Thai Union Group Public Company Limited (TU)	Production and distribution of frozen, chilled, and canned seafood	• As of December 31, 2022, the Company's major shareholder directly held 77.8% of the total issued and paid-up shares of the Company. • Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, Mr. Shue Chung Chan, and Mr. Nakorn Niruttinanon. • The Chansiri family, certain of family members the Company's director, held a 20.3% of TU's shares, while the Niruttinanon family held 6.9% of TU's total issued and paid-up shares as of December 31, 2022.
2	Thai Union Manufacturing Co., Ltd. (TUM)	Production and sale of canned tuna	• A company with common major shareholders, with TU directly holding 99.7% of total issued and paid-up shares of TUM. • Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, Mr. Shue Chung Chan, Mr. Thawee Tangchansiri, and Mr. Nakorn Niruttinanon
3	Asian Pacific Can Co., Ltd. (APC)	Manufacture and sale of empty cans for food packaging	• In the past, it was a subsidiary in which the Company directly held 99.0% of the total issued and paid-up shares. The Company sold all shares of APC to TU on February 9, 2022. • Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, and Mr. Nakorn Niruttinanon.
4	Yueh Chyang Canned Food Co., Ltd. (YCC)	Distribution of food ingredients	• A company with common major shareholders, with TU directly holding 100% of total issued and paid-up shares of TUI. • Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, and Mr. Nakorn Niruttinanon.
5	Thai Union Ingredients Co., Ltd. (TUI)	Distribution of food ingredients	• A company with common major shareholders, with TU directly holding 100% of total issued and paid-up shares of TUI. • Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, and Mr. Nakorn Niruttinanon.
6	Thai Union Graphics Co., Ltd. (TUG)	Provision of printing services with comprehensive offset system	• A company with common major shareholders, with TU directly holding 98.0% of total issued and paid-up shares of TUG. • Shared directors with the Company, namely Mr. Thiraphong Chansiri and Mr. Shue Chung Chan.
7	Thai Union Seafood Co., Ltd. (TUS)	Production and export of frozen shrimp	• A company with common major shareholders, with TU directly holding 51.0% of the total issued and paid-up shares of TUS. • Shared directors with the Company, namely Mr. Thiraphong Chansiri, Mr. Shue Chung Chan, and Mr. Thawee Tangchansiri.

	Entities Who May Have a Conflict of Interest	Nature of the Business	Relationships
8	Thai Union Feedmill Public Company Limited (TFM)	Production and distribution of economic animal feed	• A company with common major shareholders, with TU directly holding 51.0% of total issued and paid-up shares of TFM. • Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, and Mr. Shue Chung Chan.
9	EHS Training and Services Co., Ltd. (EHS)	Provision of training and organizational services related to environmental, occupational health, and safety matters	• A company with common major shareholders, with TU directly holding 100% of the total issued and paid-up shares of EHS. • Shared a director with the Company, namely Mr. Shue Chung Chan.
10	Thai Union Trading Europe B.V. SAS (TUTE)	Distribution of seafood	• A company with common major shareholders, with TU indirectly holding 100% of the total issued and paid-up shares of TUTE through Thai Union European Seafood 1 SA.
11	Thai Union North America, Inc. (TUNA)	Investment in other companies	• A company with common major shareholders, with TU directly holding 100% of the total issued and paid-up shares of TUNA. • Shared directors with the Company, namely Mr. Cheng Niruttinanon and Mr. Thiraphong Chansiri.
12	Tri-Union Seafoods, LLC. (TRI-U)	Production and distribution of canned tuna and seafood	• A company with common major shareholders, with TU indirectly holding 100% of the total issued and paid-up shares of TRI-U through TUNA. • Shared directors with the Company, namely Mr. Cheng Niruttinanon and Mr. Thiraphong Chansiri.
13	Tri-Union Frozen Product, Inc (TUFP)	Import and distribution of frozen seafood	• A company with common major shareholders, with TU indirectly holding 100% of the total issued and paid-up shares of TUFP through TUNA. • Shared directors with the Company, namely Mr. Cheng Niruttinanon and Mr. Thiraphong Chansiri.
14	Indian Ocean Tuna Limited (IOT)	Production and export of canned tuna	• A company with common major shareholders, with TU indirectly holding 60% of the total issued and paid-up shares of IOT through Thai Union Europe.
15	Pioneer Food Cannery Limited (PFC)	Production of canned tuna	• A company with common major shareholders, with TU indirectly holding 100% of the total issued and paid-up shares of PFC through Etablissements Paul Paulets SAS.
16	Lucky Union Foods Co., Ltd. (LUF)	Production and export of crab sticks	• A company with common major shareholders, with TU directly holding 25% of the total issued and paid-up shares of LUF. • Shared directors with the Company, namely Mr. Cheng Niruttinanon and Mr. Thiraphong Chansiri. • Mr. Cheng Niruttinanon, a director of the Company, holds 11.8% of the total issued and paid-up shares in LUF.

	Entities Who May Have a Conflict of Interest	Nature of the Business	Relationships
17	LDH (La Doria) Ltd. (LDH)	Distribution of food products	• A company with common major shareholders, with TU indirectly holding 20% of the total issued and paid-up shares of LDH through John West Foods Ltd.
18	Seafood International Two FZCO (SIC2)	Distribution of food products	• A company with common major shareholders, with TU holding 50% of the shares. In July 2021, TU disposed of all investments in SIC2 to a third party.
19	TN Fine Chemicals Co., Ltd. (TNFC)	Production and export of seafood by-products	• Shared directors with the Company, namely Mr. Thiraphong Chansiri and Mr. Nakorn Niruttinanon. • A company with common major shareholders, with TU indirectly holding 49% of the total issued and paid-up shares of TNFC through TUM.
20	Jana Fish Industries Co., Ltd. (JANA)	Production of fish meal and animal feed	• Shared a director with the Company, namely Mr. Cheng Niruttinanon. • The Company's directors, Mr. Cheng Niruttinanon and Mr. Nakorn Niruttinanon, collectively hold 40% of the total issued and paid-up shares of JANA.
21	T.C. Union Agrotech Co., Ltd. (T.C. Union)	Processing and distribution of tuna by-products	• Shared a director with the Company, namely Mr. Cheng Niruttinanon. • The Company's director, Mr. Cheng Niruttinanon, holds 34.8% of the total issued and paid-up shares of T.C. Union.
22	Chansiri Real Estate Co., Ltd. (CSRE)	Real estate development	• Shared a director with the Company, namely Mr. Thiraphong Chansiri. • The Company's director, Mr. Thiraphong Chansiri, and four of his close relatives hold all of the shares of CSRE, representing 100% of the total issued and paid-up shares.
23	New Century Printing and Packaging Co., Ltd. (NCPP)	Providing printing services	• Shared a director with the Company, namely Mr. Cheng Niruttinanon. • Mr. Cheng Niruttinanon, a director of the Company, directly holds 55.6% of the total issued and paid-up shares of NCPP.
24	Biz Dimension Co., Ltd. (BIZ)	Providing Electronic Auction System (E-Auction)	• Shared directors with the Company, namely Mr. Shue Chung Chan and Mr. Thiraphong Chansiri. • Mr. Thawee Tangchansiri, a director of our Company, holds 1.3% of the issued and paid-up shares of BIZ, while Mr. Thiraphong Chansiri, a director of our Company, and his close relatives collectively hold 90% of the issued and paid-up shares of BIZ.
25	Waithai Co., Ltd. (WT)	Transportation and unloading of goods and passengers	• Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, and Mr. Nakorn Niruttinanon. • The Niruttinanon family and the Chansiri family hold 54% and 24.8% of the total issued and paid-up shares of WT respectively.

	Entities Who May Have a Conflict of Interest	Nature of the Business	Relationships
26	Asia-Pacific Risk Consultants (Thailand) Co., Ltd. (APRC)	Non-life insurance broker business	• Mr. Thawee Tangchansiri, a director of the Company, and one of his close relatives hold 19% of the total issued and paid-up shares of APRC.
27	Phil-Union Frozen Foods, Inc. (PUFF)	Production and distribution of seafood	• Shared a director with the Company, namely Mr. Cheng Niruttinanon. • The Company's director, Mr. Cheng Niruttinanon, holds all shares of PUFF, representing 100% of the total issued and paid-up shares.
28	Thai Pattana Stainless Steel Co., Ltd. (TPSS)	Construction of stainless steel and steel works	• Shared directors with the Company, namely Mr. Cheng Niruttinanon and Mr. Nakorn Niruttinanon. • The Company's directors, namely Mr. Cheng Niruttinanon and Mr. Nakorn Niruttinanon, hold shares of TPSS, representing 35% and 10% of the total issued and paid-up shares, respectively.
29	Serenity Capital Co., Ltd. (SERENITY)	Production and distribution of ready meals	• Shared a director with the Company, namely Mr. Nakorn Niruttinanon • The Company's director, Mr. Nakorn Niruttinanon, and two of his close relatives hold all shares of SERENITY, representing 100% of the total issued and paid-up shares.
30	Thai Union China Co., Ltd. (TUC)	Distribution of food products	• A company with common major shareholders, with TU directly holding 100% of total issued and paid-up shares of TUC. • Shared a director with the Company, namely Mr. Thiraphong Chansiri.
31	John West Foods Ltd. (JWUK)	Import and distribution of canned seafood	• A company with common major shareholders, with TU indirectly holding 100% of the total issued and paid-up shares of JWUK through UK Seafood Investments Ltd.
32	Pak food Public Company Limited (PPC)	Production and distribution of frozen food and aquatic animals	• A company with common major shareholders, with TU directly holding 99.7% of total issued and paid-up shares of PPC. • Shared directors with the Company, namely Mr. Thiraphong Chansiri and Mr. Shue Chung Chan.
33	Thai Union Online Shop Co., Ltd. (TUO)	E-Commerce	• A company with common major shareholders, with TU directly holding 100% of total issued and paid-up shares of TUO.

Details of Related Party Transactions

The Company and its subsidiaries engaged in transactions with individuals or entities who may have conflicts of interest during the accounting periods that ended on December 31, 2021, and December 31, 2022. The details of these transactions are summarized below.

(a) Transactions from Continuing Operations

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB)		Price Policy and Transaction Description
			Year 2021	Year 2022	
Sales of human food products	TU	• Sales • Accounts receivable	2.37 1.16	0.02 -	The Company sold ambient seafood products to TU, TUM, LDH, TRI-U, and SIC2 at prices comparable to those in the transactions with third parties under normal trading conditions. As a result of the Company's business restructuring, we focus on production and distribution of pet food. We ceased all production and distribution of human food in 2022. Consequently, the Company will no longer generate revenue from sales of human food products.
	TUM	• Sales • Accounts receivable	11.94 -	38.76 26.63	
	LDH	• Sales • Accounts receivable	4.36 1.32	- -	
	TRI-U	• Sales revenue • Accounts receivable	158.26 19.93	0.63 -	
	SIC2	• Sales • Accounts receivable	2.34 -	- -	
Sales of pet food products	TUM	• Sales • Accounts receivable	5.34 0.63	2.73 -	Prior to the transfer of TUM's pet food business to the Company, TUM was responsible for selling our own branded pet food to domestic customers. TUM engaged the Company to produce pet food for TUM, with the cost-plus margin being calculated based on the agreed rate within the pet food business group and under normal trading conditions. In early January 2022, the Company sold pet food to TUM for the purpose of resale to an overseas customer, during which the Company was in the process of changing the name of its exporter from TUM to i-Tail. The selling price was determined based on the price agreed with the customer, minus the appropriate gross margin to cover the costs that will be incurred from such orders. This selling price is comparable to those sold to third parties under normal trading conditions. However, after TUM's pet food business has been transferred to our Company since December 31, 2021, the Company will no longer be selling pet food to TUM.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB) Year 2021	Transaction Value (Million THB) Year 2022	Price Policy and Transaction Description
	TU	• Sales • Accounts receivable	- -	0.53 0.31	The Company sells pet food products under our own brand to TU for their CSR activities. The price of such products is determined by adding the cost-plus margin according to the agreed rate in the pet food business group under normal trading conditions.
Sales of raw materials and packaging	TU	• Sales • Accounts receivable	113.08 12.71	175.20 61.45	The Company sells raw materials, including tuna, ingredients, and packaging, to TU, TUM, TUI, APC, and YCC to streamline raw material and packaging management within the TU Group. The selling price of raw materials and packaging is determined by the cost-plus margin method specified in TU Group's Transfer Pricing Guideline, with a profit margin comparable to that of other companies in the industry. The calculation is based on reports prepared by third parties and the transactions are conducted under normal trading conditions.
	TUM	• Sales • Accounts receivable	127.80 47.96	107.09 18.30	
	TUI	• Sales • Accounts receivable	- -	0.13 0.04	
	APC	• Sales • Accounts receivable	- -	0.85 -	
	YCC	• Sales • Accounts receivable	- -	0.08 -	
Sales of by-products and value-added products	TUM	• Sales • Accounts receivable	- -	1.63 0.51	The Company sells by-products such as steamed fish juice and calcium powder to TUM to be used as ingredients in production. The selling price is set at the same price that TUM puchases from other companies within the Thai Union group under normal trading conditions.
	TUI	• Sales • Accounts receivable	4.21 0.30	6.80 0.55	The Company sells by-products such as tuna heads and calcium powder to TUI. Calcium powder is produced by processing tuna bones to add their value. The selling price of calcium powder is calculated based on the costs and expenses incurred in the production process, with an appropriate margin added. The Company also sells tuna heads to TUI at a price equivalent to the prices that TUI purchases from other companies within the Thai Union group under normal trading conditions.
Sales of scrap materials	JANA	• Sales • Accounts receivable	24.74 0.59	11.76 -	The Company sells fish scraps, fish offal, and fish bones that are left over from the production process and cannot be used in the Company's production process to JANA and T.C. Union. The selling price is comparable to the price that such parties purchase those from third parties under normal trading conditions.
	T.C. Union	• Sales • Accounts receivable	- -	72.28 2.83	

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB) Year 2021	Transaction Value (Million THB) Year 2022	Price Policy and Transaction Description
Management fee income	TUFP	• Revenue from services • Accounts receivable	3.67 -	- -	The Company generated service income by providing personnel to work for TUFP, with the service fee charged by the Company as compensation for paying the salaries of such personnel. However, the contract expired on September 30, 2021, and the Company does not expect to generate any more services fees for the provision of personnel from TUFP going forward.
	TUM	• Revenue from services • Accounts receivable	- -	164.70 (2.73)	The Company provides cold storage, warehousing, and labeling services to TUM to optimize our assets. The service fee is calculated based on the actual cost allocation according to the proportion of service usage, with a marginal margin determined according to the TU Group's Transfer Pricing Guideline. This margin is comparable to other companies in the same industry and is based on reports prepared by third parties. The Company charges a monthly service fee, and as of December 31, 2022, the outstanding balance of accounts receivable represented a reduction of debt since the actual cost incurred during the year was lower than the billing value.
Service income	TUM	• Revenue from services • Accounts receivable	1.53 1.64	- -	The Company leased the unused office space on the 12th floor of SM Tower to TUM from January to September 2021 under a 9-month contract. The rental fee was calculated by adding the service fee that the Company had to pay the lessor, plus a margin as specified in TU Group's Transfer Pricing Guideline. The profit margin was comparable to that of other companies in the same industry, based on reports prepared by third parties. The fee was charged on a monthly basis. However, after the lease agreement with TUM expired in September 2021, the Company does not expect to generate any more rental income to TUM.
Rental income	TUM	• Rental income • Accounts receivable	- -	3.31 0.28	The Company leases certain areas of our pilot plant and building to TUM, which are located within the Company's factory premises at 30/24 Moo 8, Rama 2 Road, Tha Sai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province. However, the lease contract was valid for one year starting from January 1, 2022 to December 31, 2022, with a monthly rental rate of THB 276,072. The following details apply: • The rental rate for the Pilot Plant is determined by actual depreciation costs of such space, and a specified profit margin under normal trading conditions. The total area of the Pilot Plant rented by TUM is 2,537.50 square meters. • The area for building has a total area of 231 square meters, and the rental rate is determined based on the comparable rental rates of nearby factory buildings under normal trading conditions.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB)		Price Policy and Transaction Description
			Year 2021	Year 2022	
Rental income	TUI	• Rental income • Accounts receivable	- -	0.71 0.06	The Company leases two pieces of land to TUI. The first one, with an area of 1 rai 2 ngan 25 square wah and title deed no. 34661, is used as the location of TUI's fish oil factory in the area of the Company's factory located at No. 30/24 Moo 8, Rama 2 Road, Tha Sai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province. This land was transferred from TUM and has a 3-year lease term starting from January 1, 2022 to December 31, 2024, with a rental rate of THB 30,000 per month. The second piece of land has an area of 1 rai 1 ngan 78 square wah and the same title deed no. 34661. It is leased to TUI to set up a factory to produce fish protein, with a rental rate of THB 28,900 per month for a 3-year lease term starting from January 1, 2022, to December 31, 2024. The rental rate is determined based on the comparable rental rates of nearby land under normal trading conditions.
Utility service fee	TUI	• Other income • Accounts receivable	- -	7.55 0.71	In relation to TUI's lease of our land for use in the operation of its factories, the Company provides utility services to TUI's factories, including water, electricity, steam, and wastewater systems. The service fees are charged based on the actual usage, and the service fee per unit is calculated from cost plus margin as specified in the TU Group's Transfer Pricing Guideline. The profit margin is comparable to other companies in the same industry under normal trading conditions based on reports prepared by third parties.
Other service income	TUM	• Other income • Accounts receivable	- -	4.49 0.40	The Company provides equipment calibration and chemical analysis services to TUM at the rates and under the conditions that are comparable to those offered to other companies in the TU Group.
Commission income	YCC	• Revenue from services • Accounts receivable	- -	0.55 -	The Company earns commissions from selling pet food products of YCC. The payment terms for such sales are the same as those YCC offers to third parties. However, the Company does not expect to receive any more sales commission from YCC, as they have stopped production and saled of pet food in July 2022.
Purchases of dry pet food	TFM	• Purchases of finished goods • Accounts payable	- -	2.80 -	The Company has engaged TFM to produce dry pet food according to the formula and specifications specified by the Company to be sold under the Bellota and Marvo brands, while offering a wider range of products that fully meet the customer needs. The price at which the Company purchases from TFM is comparable to those offered by third parties under normal trading conditions.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB)		Price Policy and Transaction Description
			Year 2021	Year 2022	
Purchases of ambient seafood products	TUM	• Purchases of finished goods • Accounts payable	12.53 -	0.87 -	As a result of the COVID-19 pandemic, the Company voluntarily closed its factories for two weeks, causing disruptions to the planned production schedule. In 2022, the Company has gradually ceased production of processed seafood products. To ensure timely delivery to customers, the Company had to purchase certain types of ambient seafood products from TUM. The purchase price from TUM is calculated from cost plus margin as specified in TU Group's Transfer Pricing Guideline, with a profit margin comparable to other companies in the same industry under normal trading conditions based on reports prepared by third parties.
Purchases of pet food products	TUM	• Purchases of finished goods • Accounts payable	11.91 -	- -	Prior to the transfer of pet food business unit from TUM, USPN, a subsidiary of the Company, placed orders for pet food from TUM, with the cost-plus margin being calculated based on the agreed rate within the pet food business group under normal trading conditions. The Company has already transferred all pet food business units from TUM on December 31, 2021. As a result, there will be no such transaction in the future.
Purchases of raw materials and/or packaging	TU	• Purchases of raw materials and packaging • Accounts payable	137.95 5.33	536.20 28.98	The Company purchases raw materials, including tuna, ingredients, and packaging, from TU and TUM for use in production to enable efficient management of raw materials and packaging within the TU Group. The selling price of raw materials and packaging is calculated from cost plus margin as specified in the TU Group's Transfer Pricing Guideline. The profit margin is comparable to other companies in the same industry under normal trading conditions based on reports prepared by third parties. The Company also purchases tuna loin from TU and TUM to use as raw materials in its production. The price at which the Company purchases from TU and TUM is comparable to those offered by third parties under normal trading conditions.
	TUM	• Purchases of raw materials and packaging • Accounts payable	31.08 -	827.22 49.10	
Purchases of raw materials	YCC	• Purchases of raw materials • Accounts payable	- -	268.22 -	The Company purchases tuna and other seafood raw materials such as shrimp and crab meat from YCC to use as raw materials in its pet food production. The price at which the Company purchases from YCC is comparable to those offered by third parties under normal trading conditions.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB) Year 2021	Transaction Value (Million THB) Year 2022	Price Policy and Transaction Description
Purchases of raw materials	TUS	• Purchases of raw materials • Accounts payable	0.02 -	0.01 -	The Company purchases shrimp meat and shrimp shells from TUS, according to the special size and processing methods specified by the Company for using in product research and development. As the quantity ordered is small, TUS which specializes in shrimp processing, is able to provide quality raw materials as required by the Company. The price at which the Company purchases from TUS is comparable to those offered by third parties under normal trading conditions.
	LUF	• Purchases of raw materials • Accounts payable	0.27 -	18.01 2.89	The Company engages LUF to produce crab imitation according to the formula and specifications specified by the Company to be used as an ingredient in its pet food production. The price that the Company purchases from LUF is comparable to the price that LUF offers to other companies in the TU Group under normal trading conditions.
	JANA	• Purchases of raw materials • Accounts payable	1.27 -	2.57 -	The Company purchases concentrated fish juice, also known as fish extract, from JANA to use as an ingredient in its pet food production. The price that the Company purchases from JANA is comparable to those offered by third parties, and the transaction is conducted under normal trading conditions.
	TUI	• Purchases of raw materials • Accounts payable	- -	0.07 -	The Company procures tuna oil from TUI to use as an ingredient in its pet food production. The purchase price from TUI is comparable to the price that TUI charges other companies within the TU Group under normal trading conditions.
	TRI-U	• Purchases of raw materials • Accounts payable	- -	1.70 0.52	The Company purchases canned shrimp meat from TRI-U to use as an ingredient in its pet food production. The price that the Company purchases from TRI-U is comparable to those offered by third parties under normal trading conditions.
Purchases of packaging	APC	• Purchases of packaging • Accounts payable	- -	1,548.23 252.91	The Company purchases canned packaging from APC to be used as the primary packaging for its products. The price at which the Company purchases from APC is comparable to those offered by third parties under normal trading conditions.
	TUG	• Purchases of packaging • Accounts payable	177.38 28.43	345.19 42.83	The Company purchases secondary packaging materials such as boxes, labels, and stickers from TUG. These materials are used in labeling and packing the Company's products. The graphics on the packaging are specified by the customers. The price that the Company purchases from TUG is comparable to those offered by third parties under normal trading conditions.
	NCPP	• Purchases of packaging • Accounts payable	0.04 -	14.29 3.15	The Company purchases box-type packaging from NCPP to use as the secondary packaging for its products. The price that the Company purchases from NCPP is comparable to those offered by third parties under normal trading conditions.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB)		Price Policy and Transaction Description
			Year 2021	Year 2022	
Purchases of factory supplies	TUM	• Purchases of factory supplies • Accounts payable	0.58 -	19.50 0.68	Since the transfer of the Samut Sakhon plant from TUM to the Company on December 31, 2021, the Company has not been able to order factory supplies in time for use. Therefore, the Company has had to purchase some factory supplies from TUM for the sake of convenience and speed. Additionally, there are some factory supplies that the Company needs in small quantities, so the Company purchases from TUM at a competitive price. The price that the Company purchases from TUM is calculated as the cost plus a margin as defined in the TU Group's Transfer Pricing Guideline. The margin is comparable to other companies in the same industry under normal trading conditions based on reports prepared by third parties.
Transfer of pet food business units from TUM	TUM	• Purchases of raw materials and finished goods • Purchases of land, machinery, and equipment • Payables from business transfers	1,078.92 2,408.95 3,253.80	366.75 - -	The Company and TUM entered into an agreement on December 31, 2021, where the Company accepted the transfer of TUM's pet food business, including land, buildings, machinery, equipment, computer software and other assets used in the pet food business unit, as well as inventories related to the manufacture and sale of pet food. The total value of the transfer was THB 3,854.64 million, based on the book value as of December 31, 2021. The transfer of all land, buildings, machinery, equipment, and computer softwares, as well as finished goods and raw materials related to the pet food business unit from TUM to the Company were completed by December 31, 2021, except for a few finished goods and raw materials that were transferred later on January 4, 2022. The Company fully paid for the assets purchased from TUM on January 4, 2022.
Sale of investment in YCC	TUM	• Investment value	503.33	-	On December 15, 2021, the Company entered into an agreement to sell its entire investment in YCC to TUM at a price of VND 350,000 million, which is approximately THB 503.33 million based on the YCC's estimated book value as of December 27, 2021. The Company received payment for the sale of this investment from TUM on December 27, 2021.
Sale of investment in APC	TUI	• Investment value	351.38	-	On February 9, 2022, the Company agreed to sell its entire 99% stake in APC to TU at a price of THB 351.38 million, based on the book value as of January 31, 2022. The sale was completed on the same day, and the Company received payment for the transaction.
Purchase of investments in USPN	TUNA and TRI-U	• Investment value	151.71	-	On December 31, 2021, ITA reached an agreement to acquire a 100% stake in USPN from TUNA and TRI-U for USD 4.52 million (or approximately THB 151.71 million), based on the fair value of USPN appraised by an independent financial advisor in the United States. In order to comply with the US tax requirements, ITA made the payment for the purchase to TUNA and TRI-U on January 28, 2022.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB) Year 2021	Transaction Value (Million THB) Year 2022	Price Policy and Transaction Description
Management fee (Shared services)	TU	• Expenses • Accounts payable	27.36 6.26	59.24 25.88	The Company and USPN entered into an agreement to receive business support services from TU. This service agreement is in place because the TU Group has a centralized department that supports business operations related to central administration, which aims to achieve flexibility, efficiency in management, and cost savings from economies of scale. TU is responsible for supporting business operations of the Company and USPN, which includes corporate communications, accounting, finance and tax, internal audit, administration, human resource management, legal, information technology, and business process development and business strategy. TU charges a service fee based on actual expenses plus a margin as stipulated in the TU Group's Transfer Pricing Guideline. The margin is comparable to other companies in the same industry based on reports prepared by third parties. The service fee is paid quarterly at the same rate and under the same payment terms that TU offers to other companies in the TU group.
	TUM-HO	• Expenses • Accounts payable	51.30 8.39	66.74 14.03	The Company entered into a service agreement with TUM to receive business support services. This is in line with the management structure of the TU Group, where TUM serves as the center of departments that support import and export operations for companies in the TU group. The aim is to achieve flexibility and efficiency in management and to take advantage of economies of scale to reduce operating costs. The services provided by TUM include the procurement of imported fish, marketing support, packaging, export, logistics, shipping, BOI and intellectual property, government affair, information technology, and overseas accounting. TUM charges a service fee based on actual expenses plus a margin, which is comparable to other companies in the industry according to the TU Group's Transfer Pricing Guideline, based on reports from third parties. The service fee is paid on a monthly basis, and the rate and payment terms are the same as those offered to other companies in the TU Group.
	TUM -factory	• Expenses • Accounts payable	- -	817.18 75.04	The Company entered into a service agreement with TUM to provide production support services for our factories in Samut Sakhon with the aim of achieving flexibility and efficiency in management, as well as achieving economies of scale that can reduce operating costs. TUM is responsible for the following services: (1) production and cold storage, (2) domestic and overseas purchasing, (3) quality system management, (4) environmental, occupational health and safety, (5) engineering services, (6) logistics, (7) quality control, (8) human resources, and (9) information technology. TUM charges the Company based on actual expenses plus a margin, which is comparable to other companies in the same industry as stipulated in the TU Group's Transfer Pricing Guideline and based on reports prepared by third parties. The service fee is paid on a monthly basis, at the same rate and under the same payment terms as that TUM offers to other companies in the TU Group.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB) Year 2021	Transaction Value (Million THB) Year 2022	Price Policy and Transaction Description
Management fee (Shared services)	TUNA	• Expenses • Accounts payable	27.26 3.28	25.64 4.29	ITA and USPN entered into a service agreement with TUNA and TRI-U for business support services which includes automatic annual renewal of the contract. TUNA and TRI-U provide support services to ITA and USPN's business operations, including (1) corporate communications, (2) accounting, finance, and tax, (3) internal audit, (4) administration, human resources, (5) legal, (6) information technology (IT), and (7) business process development and business strategy. TUNA and TRI-U charge their fees based on actual expenses plus a margin. As stipulated in the TU Group's Transfer Pricing Guideline, the margin is comparable to other companies in the same industry, which is based on reports prepared by third parties, with a monthly fee payment. These are the same rate and payment terms that TUNA and TRI-U offer to other companies in the TU Group.
	TRI-U	• Expenses • Accounts payable	27.26 6.61	23.00 3.15	
	TUTE	• Expenses • Accounts payable	- -	10.77 7.94	The Company entered into a service agreement with TUTE, JWUK, and TUC to receive business support services for the business operations in the European Union, the United Kingdom, and China. The goal is to achieve flexibility and efficiency in management and to help reduce the Company's operating costs. The contract is an annual contract which is automatically renewed year by year. TUTE, JWUK, and TUC are responsible for supporting the Company's business operations, including (1) sales support, marketing, and business development, (2) customs clearance for importing goods, (3) transportation and delivery of goods, and (4) quality inspection and storage of goods. The service fee is based on actual expenses plus a margin as specified in the TU's Transfer Pricing Guideline. The profit margin is comparable to other companies in the same industry based on reports prepared by third parties. The service fee is paid on a monthly basis, and these rates and conditions are applicable to the TU Group companies.
	JWUK	• Expenses • Accounts payable	- -	5.59 5.43	
	TUC	• Expenses • Accounts payable	- -	6.77 2.43	
Service fee for information technology system	TU	• Expenses • Accounts payable	17.80 17.27	23.33 23.35	The Company and USPN use information technology system services from TU, including SAP and Office365 application fees, as well as network (WAN) management. These services are provided by third-party service providers used by the entire TU Group for the sake of convenience to benefit from economies of scale. TU charges based on the number of users and the actual expenses incurred from the provision of services. These are the same rates and payment terms that TU offers to other companies in the TU group.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB)		Price Policy and Transaction Description
			Year 2021	Year 2022	
Rental expenses	TUM	• Expenses • Accounts payable	- -	8.58 0.71	The Company rents a factory building from TUM, located at 30/2 Moo 8, Setthakit 1 Road, Tha Sai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province. The factory building has a total area of 6,485 square meters, and the rental contract was valid for one year, starting from January 1, 2022 to December 31, 2022. The monthly rental rate was THB 714,971, which is comparable to the rental rates of nearby factory buildings under normal trading conditions. The Company is in the process of constructing a new plant in the same area as ITC2[(1)] , which is expected to be completed by 2023. Once the new factory is completed, the Company will terminate the lease of the ITC3[(2)] factory buildings with TUM and move the machinery and equipment from the leased space to the new factory. *Note** *(1) ITC2 is a factory located at 30/24 Moo 8, Rama 2 Road, Tha Sai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province.* *(2) ITC3 is a factory located at 30/2 Moo 8, Setthakit 1 Road, Tha Sai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province.*
Utility expenses	TUM	• Expenses • Accounts payable	- -	181.03 15.28	The Company rents a factory building from TUM for the ITC3[(1)] factory, which includes utility services such as the water, electricity, and steam systems. The cost of these services is calculated based on a cost-plus margin as stipulated in the TU Group's Transfer Pricing Guideline. The margin is comparable to other companies in the same industry based on reports prepared by third parties. The rates and payment terms are applied under normal trading conditions. *Note** *(1) ITC3 is a factory located at 30/2 Moo 8, Setthakit 1 Road, Tha Sai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province.*
Office rental and service fees	CSRE	• Expenses • Accounts payable	6.73 -	7.94 -	The Company has rents space in the SM Tower building located at 979 Phahonyothin Road, Phayathai Subdistrict, Phayathai District, Bangkok from CSRE. The details of the leases are as follows: • Room No. 979/9-10, 12th floor, with an area of 735.57 square meters, was leased for three years starting from January 1, 2020 to December 31, 2022, with rental and service fees of THB 404,563.50 per month. However, the lease period was later negotiated to be reduced to September 30, 2021. • Room number No. 979/92-94, 29th floor, with an area of 702.72 square meters, was leased for three years starting from May 19, 2021 to May 18, 2024, with rental and service fees of THB 386,496 per month. • Room No. 979/91, 29th floor, with an area of 278.94 square meters, and room number Room No. 979/95, 29th floor, with an area of 269.01 square meters, totaling 556.95 square meters, were leased for two years and seven months starting from June 1, 2022 to December 31, 2024, with rental and service fees of THB 306,322.50 per month. CSRE charges the Company rental and service fees at the same rates and under the same payment terms that are offered by third parties.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB)		Price Policy and Transaction Description
			Year 2021	Year 2022	
Distribution center service fee	TU	• Expenses • Accounts payable	- -	2.22 0.55	The Company utilizes TU's distribution center for storage and arrangement of product preparation according to customer orders for delivery service providers hired by the Company to deliver products to domestic customers. TU charges the Company a service fee that is comparable to third-party distribution center service rates under normal trading conditions.
Consulting service fee	TU	• Expenses	32.87	-	In 2021, TU engaged a consultant to prepare strategic plans for its pet food business. The consultation fees were based on actual expenses plus a margin per the TU Group's Transfer Pricing Guideline. The margin was comparable to other companies in the same industry based on reports prepared by third parties. In 2022, the Company directly engaged a consulting firm to develop an ongoing related to pet food business.
Commission expenses	TUTE	• Expenses • Accounts payable	0.28 0.08	0.09 -	The Company exports ambient seafood products through TUTE. Thus, TUTE receives commissions at the same rates and under the same payment terms that the Company pays third parties.
Insurance broker service fee	APRC	• Insurance premiums • Accounts payable	13.46 5.93	20.54 0.92	The Company uses APRC's insurance brokerage services for its property, export insurance, and health insurance for employees. APRC collects proposals from various insurance companies and presents them to the Company. APRC is also responsible for collecting insurance premiums from the Company and delivering them to the relevant insurance companies as stipulated in the policy. The Company is not charged for APRC's brokerage services as APRC charges insurance companies for brokerage fees, which is a standard practice in the insurance brokerage industry.
Service fee for raw material analysis	JANA	• Expenses • Accounts payable	0.12 -	0.003 -	The Company occasionally utilizes JANA's raw material analysis service whenever it is unable to perform an in-house analysis. The service rates and trading conditions offered by JANA are comparable to those of other service providers.
E-Auction fee	BIZ	• Expenses • Accounts payable	0.07 -	- -	The Company uses BIZ's electronic auction system (E-Auction) to select suppliers, including those for materials, chemicals, and factory equipment, in order to increase transparency and reduce the cost of procurement. The Company pays BIZ a fee based on the percentage of the procurement cost saved by the Company. This fee is set at the same rate that BIZ charges other companies in the TU Group.
Transportation fee	WT	• Expenses • Accounts payable	1.77 0.57	44.29 8.71	The Company utilizes the services of WT for container hauling, which is necessary for transporting containers to the port for export. The rates and trading conditions offered by WT are comparable to those of other service providers in the market.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB) Year 2021	Transaction Value (Million THB) Year 2022	Price Policy and Transaction Description
Transportation fee	APC	• Expenses • Accounts payable	- -	9.60 2.57	The Company utilizes APC's freight services for domestic transportation at the service rates and under the trading conditions that are comparable to those APC from offers other companies within the TU Group.
Training fee	EHS	• Expenses • Accounts payable	- -	0.41 0.08	The Company uses EHS, a consulting business that specializes in the environment and occupational health and safety, to provide training courses related to occupational health and safety such as a firefighting course. EHS charges the same training fees and offers the same trading terms as it does other companies in the TU Group.
Maintenance service fee	TPSS	• Maintenance services • Accounts payable	- -	28.25 0.24	The Company uses TPSS for service of maintenance and improvement as TPSS specializes in stainless steel products for the seafood industry. Due to the long-standing relationship between the Company and TPSS, TPSS is able to provide efficient and fast service and help reduce any issues that may arise on the Company's production line. The service rates and trading conditions offered by TPSS are comparable to those of other service providers.
Purchases of machinery	TUM	• Machinery • Accounts payable	- -	28.76	The Company purchased machinery from TUM that had previously been ordered by TUM in 2021 before the Company's business restructuring. The purchase price from TUM was the same as the price that TUM had agreed to pay the manufacturer.
	TUO	• Furniture and office equipment • Accounts payable	- -	8.96 -	In June 2022, the Company expanded the office space and purchased furniture and various office equipment from TUO and PPC, the former tenants in the area. The purchase price agreed to be the cost price plus margin, under the trading conditions that are comparable to other sellers.
	PPC	• Furniture and office equipment • Accounts payable	- -	2.16 -	
Other service fees	TU	• Expenses • Accounts payable	1.62 0.02	1.53 0.06	The Company utilizes other services from TU, which results in charges for loading goods, daily staffing services, license fees, and other miscellaneous expenses. Similarly, the Company uses TUM's services, such as freezing of raw materials, inspection, and other miscellaneous expenses to enhance business operations and achieve economies of scale. The service fees TU and TUM charge the Company are at the same rates and terms that they offer to other companies in the TU Group.
	TUM	• Expenses • Accounts payable	1.59 0.02	28.27 0.89	

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB) Year 2021	Transaction Value (Million THB) Year 2022	Price Policy and Transaction Description
Short-term loan to	TU	Opening Balance	-	555.71	The Company has provided TU with short-term loans as part of the TU Group's centralized liquidity management, also known as TU Cash Pooling. This is TU's financial management policy used in working capital and financial cost management. The interest rate charged by the Company is equal to TU's borrowing cost - 0.1%. However, the Company had recently separated its liquidity management from the TU Group, which was completed in June 2022.
		Additions	555.71	-	
		Repayments	-	(555.71)	
		Closing Balance	555.71	-	
		Interest income	0.04	0.03	
Short-term loan from	TU	Opening Balance	-	-	The Company has provided TU with short-term loans as part of TU Group's centralized liquidity management (TU Cash Pooling), which is TU's financial management policy used in working capital and financial cost management. The interest rate on the loan is equivalent to TU's borrowing cost + 0.1%. The Company completed the separation of its liquidity management from the TU Group in June 2022.
		Additions	5,044.46	11,346.00	
		Repayments	(5,044.46)	(11,346.00)	
		Closing Balance	-	-	
		Interest expenses	7.04	20.65	
	TU	Opening Balance	$ 13.71 M	$ 20.12 M	USPN has obtained short-term loans from TU as part of the TU Group's centralized liquidity management policy (TU Cash Pooling) to use as working capital and to manage financial costs. The interest rate on the loan is 1M - Libor + 1%, which is the same rate that TU charges other companies in the United States. USPN has currently paid off all loans to TU.
		Additions	$ 71.79 M	-	
		Repayments	$ (65.38) M	$ (20.12) M	
		Closing Balance	$ 20.12 M	-	
		Interest expenses	$ 0.23 M	-	
		Accrued interest	$ 0.009 M	-	
Long-term loan from	TU	Opening Balance	$ 3.00 M	$ 3.00 M	USPN obtained a long-term loan from TU to be used as working capital, with an interest rate of 6% based on USPN credit rating, as assessed by TU's tax advisor. Currently, USPN has fully paid off the loan to TU.
		Additions	-	-	
		Repayments	-	$ (3.00) M	
		Closing Balance	$ 3.00 M	-	
		Interest expenses	$ 0.18 M	-	
		Accrued interest	$ 0.005 M	-	

(B) Transactions from Discontinued Operations

On December 15, 2021 and February 9, 2022, the Company disposed of all investments in YCC and APC respectively. The subsidiaries of the Company as of December 31, 2021 and December 31, 2022 are as follows:

(1) Transactions between APC and individuals or entities who may have conflicts of interest.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB)		Transaction Description
			Year 2021	Year 2022	
Revenue from sales of packaging	TU	Sales	484.41	47.75	APC sells canned packaging to TU, TUM, YCC, IOT, PFC, and PUFF at the prices that are comparable to the prices APC charges other customers under normal trading conditions.
	TUM	Sales	2,498.54	133.15	
	YCC	Sales	-	12.71	
	IOT	Sales	1.27	-	
	PFC	Sales	1.16	-	
	PUFF	Sales	23.07	-	
Transportation income	TU	Other income	0.04	-	APC provides transportation services to TU, TUM, TUI and TNFC in order to efficiently manage APC's domestic logistics. The service fee is calculated based on the costs incurred, plus a reasonable profit margin.
	TUM	Other income	26.45	0.83	
	TUI	Other income	0.05	0.003	
	TNFC	Other income	0.05	0.002	
Commission income	TU	Other income	0.04	-	APC earns commissions based on the weight of fish sold from the sales of fish raw materials of TU and TUM. APC charges TU and TUM service fees at the same rates and under the same payment terms as it does other companies.
	TUM	Other income	3.68	0.29	
Sale of property	SERENITY	Sale of land	379.97	-	APC sold a plot of unused land with title deed no. 89595, located on Setthakit 1 Road, Nadi Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province, with an area of 65 rai 54.40 square wah to SERENITY for a total price of THB 379.97 million.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million THB)		Transaction Description
			Year 2021	Year 2022	
Management Fee (Shared Services)	TU	Expenses	13.34	1.13	APC entered into an annual service agreement with TU to receive business support services. The agreement was made in accordance with the TU Group's management structure which centralizes departments that support central administration for greater flexibility, efficiency, and economies of scale. The contract is automatically renewed on a yearly basis. Under the agreement, TU is responsible for providing the necessary support services to APC in the following areas: (1) Corporate Communications, (2) Accounting, Finance and Tax, (3) Internal Audit, (4) Human Resource Management, (5) Legal, (6) Information Technology (IT), and (7) Business Process Development and Business Strategy. The service fee charged by TU is based on actual expenses plus a margin as stipulated in the TU Group's Transfer Pricing Guideline. The margin is comparable to other companies in the same industry as determined by third-party reports. The service fee is paid quarterly at the same rate and under the same payment terms that TU offers to other companies in the TU Group.
	TUM	Expenses	1.46	0.17	APC entered into a service agreement with TUM to receive business support services as part of the TU Group's management structure. TUM is responsible for supporting import and export operations for companies within the TU group, with the goal of achieving flexibility, efficiency, and economies of scale to reduce operating costs. The service includes shipping, BOI, and intellectual property divisions. TUM charges based on actual expenses plus a margin per the TU Group's Transfer Pricing Guideline. The margin is comparable to other companies in the same industry based on reports by third parties. The service fee is paid on a monthly basis at the same rate and under the same payment terms that TUM offers to other companies in the TU Group.
Service fee for information technology system	TU	Expenses	0.23	0.02	APC uses information technology system services from TU, including Office365 application fees and network (WAN) management. These services are provided by third-party service providers used by the entire TU Group to facilitate the provision of services and benefit from economies of scale. TU charges the service fee based on the number of users and the actual expenses incurred from the provision of services. The same rates and payment terms are applied to other companies in the TU group.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Transaction Description
			Year 2021	Year 2022	
Insurance broker service fee	APRC	Expenses	7.55	0.42	APC uses APRC for its brokerage services for property insurance, export insurance, and employee health insurance. APRC collect proposals from various insurance companies and present them to APC. APRC then collects insurance premiums from APC and delivers them to the specified insurance companies as per the policy. APC does not pay for APRC's brokerage services, for property the insurance, only pays insurance premiums to the insurance companies through APRC. APRC then charges the insurance company a brokerage fee, which is a common practice in the insurance brokerage industry.
Transportation fee	WT	Expenses	1.17	-	APC utilizes the services of WT for container hauling, which is necessary for transporting containers to the port for export. The service rates and trading conditions offered by WT are comparable to those provided by other service providers.
Training fee	EHS	Expenses	0.06	0.05	APC provides its personnel occupational health and safety training courses from EHS, and the service fees charged by EHS are comparable to the rates and terms of trade EHS offers to other companies in the TU Group.
E-Auction fee	BIZ	Expenses	0.01	-	APC uses BIZ's Electronic Auction System (E-Auction) to select suppliers for its products. This helps make the supplier selection process more transparent and helps reduce the procurement costs. APC pays BIZ a fee based on the cost saved by using the system. The fee is set at the same rate that BIZ charges other companies in the TU Group, which is 100% of the cost saved.
Other service fees	TU	Expenses	0.67	-	TU and TUM receive products from APC, and APC uses other services from TU and TUM.
	TUM	Expenses	1.07	-	TU and TUM invoice APC for various services, including export document preparation fees, supply of COVID testing kits, and other miscellaneous expenses. The service fees TU and TUM charge APC are at the same rates and under the same conditions as they offer to other companies within the TU Group.
Interest expenses	TU	Interest expenses	16.52	2.78	APC pays interest to TU as compensation for obtaining short-term and long-term loans from TU as working capital in business operations. The interest rate charged by TU charges APC is the same rate and under the same conditions that TU offers to other companies in the TU group.

(2) Transactions between YCC and individuals or entities who may have conflicts of interest.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Transaction Description
			Year 2021	Year 2022	
Sales of raw materials and finished goods	TUM	Sales revenue	215.74	-	YCC sells raw materials and ambient seafood to TUM, TUFP, TRI-U, and TUTE. The selling prices of these products are comparable to the prices that YCC charges other customers under normal trading conditions.
	TUFP	Sales revenue	143.57	-	
	TRI-U	Sales revenue	207.91	-	
	TUTE	Sales revenue	78.54	-	
Information technology system service fee	TU	Expenses	0.51	-	YCC uses information technology system services from TU, including SAP and Office365 application fees, as well as network (WAN) management. These services are provided by third-party service providers used by the entire TU Group for the sake of convenience to benefit from economies of scale. TU charges a service fee based on the number of users and the actual expenses incurred in delivering the services. The same rates and payment terms apply to YCC as they do to other companies in the TU group.
Commissions	TUTE	Expenses	0.37	-	YCC sells its ambient seafood products internationally through TUTE, which receives commissions from YCC at the same rates and under the same payment terms that YCC pays third parties.
Interest expenses	TU	Interest expenses	0.56	-	YCC pays interest to TU as compensation for obtaining short-term loans from TU as working capital for its business operations. The interest rate TU charges YCC is at the same rate and under the same conditions that TU offers to other companies within the TU group.

Necessity and Rationale of Connected Transactions

The Audit Committee has determined that these transactions are normal for the business operations of the Company and that the best interests of the Company and its shareholders were taken into account. The purchase prices of the services was based on cost plus margin in line with the market price or comparable prices to other companies in the Thai Union Group, or calculated based on cost plus margin, in line with the TU Group's Transfer Pricing Guideline. The profit margin was compared to other companies in the same industry based on reports prepared by third parties. All aspects of the transactions were conducted under normal trading conditions and in a reasonable manner. The Audit Committee has concluded that the transactions were appropriate, reasonable, and necessary for the Company's business operations.

Measures and Protocols for Managing Inter-connected Transactions

The Company has implemented measures to manage related transactions or transactions with connected persons by the Company and/or its subsidiaries in accordance with the criteria set out in the Securities Act and the relevant regulations of the Capital Market Supervisory Board, SEC, and SET. The Audit Committee provides opinions on the necessity of entering such transactions and ensures that they are conducted at the market prices and in accordance with the trading business practices (fair and at arm's length basis), at the prices and/or under the conditions that are comparable to those of third parties.

If a business transaction or a business-supporting transaction of the Company is considered normal and likely to occur in the future, the Company has a policy of setting a framework for such transactions. These transactions must involve commercial agreements that a reasonable person would make with a general counterparty in the same situation, with no influence from the counterparty's status as a director, executive, or related person. The transactions must not result in the transfer of benefits and must have reasonable and fair pricing or conditions. If the Board of Directors approves the transaction framework as a general principle, the Company's management can proceed with the transactions that are in accordance with the specified framework immediately without seeking approval from the Board of Directors again. The Company will also prepare a report summarizing the related or connected transactions and submit it to the Audit Committee and the Board of Directors every quarter in compliance with the Securities and Exchange Act, the regulations, notifications, orders, and requirements of the SEC Office, the Capital Market Supervisory Board, and the SET.

If there is a related transaction that is not considered normal business or business-supporting, the Company must seek the opinions of the Audit Committee regarding the appropriateness of the prices and the rationale of such transactions under a framework of good ethics that takes into account the interests of the Company, its subsidiaries, and major shareholders. If the Audit Committee does not have the necessary expertise to assess the transaction, the Company will engage independent experts, such as asset appraisers or auditors, to provide opinions on the related-party transaction. The Board of Directors and/or shareholders of the Company (as appropriate) will then consider these opinions to ensure that the transaction does not result in the migration or transfer of the Company's benefits. Approval of related-party or connected transactions will not be granted to individuals who may have conflicts of interest or a vested interest in the transaction. The details of these transactions will be included in the financial statements that have been audited by the Company's auditor, as well as in report 56-1 One Report (Annual Report).

The Company strictly adheres to the regulations, procedures, and criteria set out in the Securities Act, as well as the relevant regulations of the Capital Market Supervisory Board, SEC Office, and Stock Exchange of Thailand, with respect to related-party transactions, connected items, and the acquisition or disposal of assets. The Company takes all necessary measures to ensure compliance with the regulations for listed companies.

Related-party Transaction Policy and Future Trends

The Company may engage in related-party transactions in the future, which will be conducted in accordance with normal business practices and a clear policy on related-party transactions. These transactions will be conducted under normal trading conditions, with the prices that are comparable to those offered to unrelated persons and/or companies. Examples of such transactions include the buying or selling of raw materials, packaging by-products, and scraps left over from the production process. The Company may also engage in transactions using business-support services (Shared Services), information system service, rentals, and other services. All related-party transactions must be necessary for the Company's business operations and must be conducted for the benefit of the Company. The rationale of these transactions will be assessed every quarter.

The Company has engaged an external expert to review the Transfer Pricing Guideline in order to assess the appropriateness of transactions involving the provision or receipt of business-support services (Shared Services) between the Company and the Thai Union Group. The Company has a policy of reviewing this report approximately every three years or when there is a significant change in the information referenced in the external expert's report.

If the Company needs to engage in related-party transactions in the future, it will comply with the Securities and Exchange Act, The regulations, notifications, orders, and requirements of the Capital Market Supervisory Board, SEC Office, and Stock Exchange of Thailand. The Company will ensure that such transactions do not result in the transfer or migration of the Company's interests or those of its shareholders. Any related-party transactions must be in the best interests of the Company and its shareholders.

If the Company engages in normal business transactions or business-supporting transactions that may continue in the future, the Company has a policy to establish a framework for such transactions. The framework requires commercial agreements that are conducted in the same way that a reasonable person would with a general counterparty in the same situation, without being influenced by the counterparty's status as a director, executive, or related person. These transactions must not result in a transfer of benefits. The Company's management may proceed with transactions that are in accordance with the specified framework, the Securities and Exchange Act, the regulations, notifications, orders, and requirements of the Capital Market Supervisory Board, SEC Office, the SET, and the Company's good corporate governance principles. To ensure compliance, the Company's management responsible for a connected transaction must prepare a summary of the details of the transaction, including supporting information to show that the transaction price is in comparable to the market price under normal trading conditions. The internal audit department will review

the summary to confirm whether the transaction comply with the framework set by the Company's Board of Directors. The summary of these transactions will be presented to the Audit Committee on a quarterly basis to ensure that they are reasonable and in the best interests of the Company. If the Audit Committee identifies any actions that are not in accordance with the framework, it will report them to the Board of Directors, who will have an appropriate period of time to make improvements. If the Company's Board of Directors or executives fail to make improvements within a reasonable time, any members of the Audit Committee may report such transactions or actions to the SEC or the SET.

If the Company engages in other related-party transactions, the Company must propose to the Audit Committee for comments on the appropriateness of the prices and the rational of such transactions. If the Audit Committee lacks the expertise to evaluate such transactions, the Company will arrange for independent experts, such as asset appraisers, auditors, etc., to provide opinions on the connected transactions. These opinions will be used for the consideration of the Audit Committee, Board of Directors, and/or shareholders to ensure that such transactions do not result in the migration or transfer of benefits from the Company. Instead, these transactions must be in the best interests of the Company and all shareholders.

Section
03

Financial Statement

i-Tail Corporation Public Company Limited

Consolidated
and Separate Financial Statements
31 December 2022

Independent Auditor's Report

To the shareholders and the Board of Directors of i-Tail Corporation 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 i-Tail Corporation 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 year. I determined one key audit matter: Fair valuation of financial instruments. 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
Fair valuation of derivative financial instruments under hedge accounting As at 31 December 2022, the Group had derivative assets and derivative liabilities which were measured at the fair value of Baht 657 million and Baht 107 million, respectively, as disclosed in Note 35. The net movement of cashflow hedge reserve recorded in other comprehensive income, net of taxes for the year was Baht 663 million, as disclosed in Note 26. These amounts are material to the consolidated financial statements. The Group adopts derivative financial instruments which are mainly forward contracts to manage its exposure to foreign currency risk of highly probable forecasted sales transactions which arise during the normal course of its business. The hedge documentation is prepared and serves as the basis for these hedging transactions. These derivative financial instruments are measured at fair values by using observable market data (Level 2). The gain and loss on the maturity of such derivative financial instruments are recorded in the statement of income along with the relevant hedged item, which is revenue. I focused on derivative financial instruments because of their significance to the consolidated financial statements. In addition, the measurement of the derivative financial instruments at fair value can have a significant impact on the net profit and the equity. The audit risk appears to be on the one hand in the valuation of these derivatives and on the other hand in the application of hedge accounting.	My audit procedures included: • understanding the Group's hedge accounting process from initiation to settlement of derivative financial instruments • assessing the design and implementation of controls and testing the operating effectiveness of key control activities • obtaining bank confirmations to support the existence and completeness of the derivative financial instruments as at year-end • inspecting the hedge accounting documentation and hedge effectiveness testing • assessing the year-end fair valuation of derivative financial instruments on a sample basis by using market data to measure the fair value with the use of the independent expert • assessing the accounting treatment including the effects recorded in equity and profit or loss, and reconciling with the statement of financial position and disclosure • assessing the disclosure of hedge transactions in the financial statements. Based on my procedures, I considered that the fair values of derivative financial instruments recognised in the financial statements at year-end are materially correct within an acceptable range of reasonable estimates and the hedge accounting transactions are materially correctly recorded in the profit or loss and other comprehensive income. I also assessed that the disclosures of hedge transactions were adequate.

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 matter. 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
15 February 2023

i-Tail Corporation Public Company Limited
Statement of Financial Position
As at 31 December 2022

		Consolidated financial statements		Separate financial statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Current assets					
Cash and cash equivalents	9	10,798,907	3,293	10,793,878	1,840
Trade and other receivables, net	10	3,553,944	1,089,905	3,259,744	1,145,609
Short-term loans to related parties	32.3	-	555,707	673,595	555,707
Inventories, net	11	4,457,020	3,844,616	3,974,206	2,970,590
Investment in debt instruments measured at amortised cost	12	737,628	-	737,628	-
Derivative assets	6, 35.1	560,651	6,521	560,651	6,521
Other current assets	13	214,239	65,077	214,239	65,077
Assets of disposal groups classified as held-for-sale from discontinued operations	14	-	4,894,623	-	285,592
Total current assets		20,322,389	10,459,742	20,213,941	5,030,936
Non-current assets					
Investment in subsidiaries using cost method	15	-	-	169,394	169,394
Long-term loans to a subsidiary	32.4	-	-	103,174	-
Property, plant and equipment, net	16	4,893,053	4,171,417	4,893,053	4,171,417
Right-of-use assets, net	17	41,749	31,731	41,749	31,731
Intangible assets, net	18	31,729	8,819	31,729	8,819
Non-current derivative assets	6, 35.1	96,622	1,978	96,622	1,978
Deferred tax assets, net	19	43,144	36,959	6,392	36,471
Other non-current assets	20	320,901	223,147	320,901	223,147
Total non-current assets		5,427,198	4,474,051	5,663,014	4,642,957
Total assets		25,749,587	14,933,793	25,876,955	9,673,893

The accompanying notes are an integral part of these consolidated and separate financial statements.

i-Tail Corporation Public Company Limited
Statement of Financial Position (continued)
As at 31 December 2022

		Consolidated financial statements		Separate financial statements	
		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					
Trade and other payables	21	2,355,237	4,356,238	2,175,302	4,091,295
Short-term loans from the parent company	32.5	-	672,319	-	-
Current portion of lease liabilities, net	17	13,844	9,629	13,844	9,629
Income tax payable		22,883	-	1,440	-
Derivative liabilities	6, 35.1	106,702	123,796	106,702	123,796
Other current liabilities		28,298	8,110	28,298	8,111
Liabilities of disposal groups classified as held-for-sale from discontinued operations	14	-	4,705,515	-	-
Total current liabilities		2,526,964	9,875,607	2,325,586	4,232,831
Non-current liabilities					
Long-term loans from the parent company	32.6	-	100,260	-	-
Lease liabilities, net	17	28,457	22,476	28,457	22,476
Employee benefit obligations	22	559,169	578,299	559,169	578,299
Non-current derivative liabilities	6, 35.1	-	1,925	-	1,925
Other non-current liabilities		28,859	23,753	28,859	23,753
Total non-current liabilities		616,485	726,713	616,485	626,453
Total liabilities		3,143,449	10,602,320	2,942,071	4,859,284

i-Tail Corporation Public Company Limited
Statement of Financial Position (continued)
As at 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
Liabilities and equity (continued)					
Equity					
Share capital	23				
Authorised share capital					
3,000,000,000 ordinary shares at a par value of Baht 1 per share)					
(31 December 2021: 36,000,000 ordinary shares at a par value of Baht 10 per share		3,000,000	360,000	3,000,000	360,000
Issued and fullly paid-up share capital					
3,000,000,000 ordinary shares paid-up at Baht 1 per share)					
(31 December 2021: 36,000,000 ordinary shares paid-up at Baht 10 per share		3,000,000	360,000	3,000,000	360,000
Premium on share capital	23	18,394,890	240,000	18,394,890	240,000
Retained earnings					
Appropriated - legal reserve	25	300,000	36,000	300,000	36,000
Appropriated - other reserve		44	44	44	44
Unappropriated		784,202	4,258,330	664,364	4,288,219
Other components of equity		128,077	(565,752)	575,586	(109,654)
Total equity attributable to owners of the parent		22,607,213	4,328,622	22,934,884	4,814,609
Non-controlling interests		(1,075)	2,851	-	-
Total equity		22,606,138	4,331,473	22,934,884	4,814,609
Total liabilities and equity		25,749,587	14,933,793	25,876,955	9,673,893

The accompanying notes are an integral part of these consolidated and separate financial statements.

i-Tail Corporation Public Company Limited
Statement of Income
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2022 Thousand Baht	31 December 2021 Thousand Baht	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Revenue from sales and services		22,528,469	7,107,870	19,989,789	6,790,341
Cost of sales and services		(17,103,965)	(6,043,089)	(15,055,987)	(5,760,679)
Gross profit		5,424,504	1,064,781	4,933,802	1,029,662
Dividend income	15	-	-	-	2,261,543
Other income	27	247,883	84,265	293,750	97,043
Profit before expenses		5,672,387	1,149,046	5,227,552	3,388,248
Selling expenses		(547,818)	(210,145)	(462,738)	(172,254)
Administrative expenses		(718,677)	(370,076)	(629,595)	(294,670)
Loss from impairment of financial assets, net		(18,733)	(12,139)	-	-
Other gains (losses), net	35.2	199,186	142,169	200,379	142,169
Gain (Loss) from sale of investment in subsidiaries		-	-	65,784	(76,676)
Finance costs	28	(85,998)	(24,675)	(85,912)	(11,453)
Profit before income tax		4,500,347	674,180	4,315,470	2,975,364
Income tax	30	(70,122)	19,737	(36,887)	19,249
Profit for the year from continuing operations		4,430,225	693,917	4,278,583	2,994,613
Profit for the year from discontinued operations	14.1	39,507	881,928	-	-
Profit for the year		4,469,732	1,575,845	4,278,583	2,994,613
Profit (loss) attributable to:					
Owners of the parent					
From continuing operations		4,430,734	726,450	4,278,583	2,994,613
From discontinued operations		39,444	872,231	-	-
Total		4,470,178	1,598,681	4,278,583	2,994,613
Non-controlling interests					
From continuing operations		(509)	(32,533)	-	-
From discontinued operations		63	9,697	-	-
Total		(446)	(22,836)	-	-
Profit for the year		4,469,732	1,575,845	4,278,583	2,994,613
Earnings per share for profit attributable to the owners of the parent (Baht)					
Basic earnings per share (Baht per share)	31				
From continuing operations		2.50	2.02	2.41	8.32
From discontinued operations		0.02	2.42	-	-
Total basic earnings per share (Baht)		2.52	4.44	2.41	8.32

The accompanying notes are an integral part of these consolidated and separate financial statements.

i-Tail Corporation Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2022 Thousand Baht	31 December 2021 Thousand Baht	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Profit for the year		4,469,732	1,575,845	4,278,583	2,994,613
Other comprehensive income (expenses):					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements gain (loss) of employee benefit obligations, net of income tax	22, 30	41,562	(50,284)	41,562	(50,284)
Total items that will not be reclassified subsequently to profit or loss		41,562	(50,284)	41,562	(50,284)
Items that will be reclassified subsequently to profit or loss					
- Exchange differences on translation		(11,504)	(13,460)	-	-
- Hedging reserve reclassified to profit or loss, net of income tax	26	662,580	146,766	684,345	146,766
- Change in fair value of hedging derivatives, net of income tax		895	(330,664)	895	(330,664)
Total items that will be reclassified subsequently to profit or loss		651,971	(197,358)	685,240	(183,898)
Other comprehensive income (expenses) for the year, net of income tax					
From continuing operations		693,533	(247,642)	726,802	(234,182)
From discontinued operations	14.1	-	112,189	-	-
Other comprehensive income (expenses) for the year, net of income tax		693,533	(135,453)	726,802	(234,182)
Total comprehensive income for the year					
From continuing operations		5,123,758	446,275	5,005,385	2,760,431
From discontinued operations	14.1	39,507	994,117	-	-
Total comprehensive income for the year		5,163,265	1,440,392	5,005,385	2,760,431
Total comprehensive income attributable to:					
Owners of the parent					
From continuing operations		5,124,257	498,000	5,005,385	2,760,431
From discontinued operations		39,444	984,761	-	-
Total		5,163,701	1,482,761	5,005,385	2,760,431
Non-controlling interests					
From continuing operations		(499)	(51,725)	-	-
From discontinued operations		63	9,356	-	-
Total		(436)	(42,369)	-	-
Total comprehensive income for the year		5,163,265	1,440,392	5,005,385	2,760,431

The accompanying notes are an integral part of these consolidated and separate financial statements.

i-Tail Corporation Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2022

		Consolidated financial statements															
		Attributable to owners of the parent												Non-controlling interests from business combination under common control	Non-controlling interests	Total Non-controlling interests	Total equity
		Retained earnings				Other components of equity							Total equity attributable to owners of the parent				
	Notes	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Appropriated Legal reserve Thousand Baht	Appropriated Other reserve Thousand Baht	Unappropriated Thousand Baht	Exchange differences on translation Thousand Baht	Changes in value of long-term investments Thousand Baht	Changes in ownership interest in subsidiaries Thousand Baht	Hedging reserve (Note 26) Thousand Baht	Surplus arising from business combination under common control Thousand Baht	Total other components of equity Thousand Baht					
Opening balance as at 1 January 2021		360,000	240,000	36,000	44	4,147,163	(149,965)	(38)	(185,235)	74,244	-	(260,994)	4,522,213	(212,919)	14,650	(198,269)	4,323,944
Dividend payment	24	-	-	-	-	(1,260,000)	-	-	-	-	-	-	(1,260,000)	-	(21,300)	(21,300)	(1,281,300)
Increase paid-up share capital in a subsidiary from non-controlling interests														-	144	144	144
Business combination under common control		-	-	-	-	-	-	-	-	-	-	-	-	264,645	-	264,645	(151,707)
Reclassification		-	-	-	-	(143,396)	-	-	143,396	-	-	143,396	-	-	-	-	-
Profit for the year		-	-	-	-	1,598,681	-	-	-	-	-	-	1,598,681	(32,533)	9,697	(22,836)	1,575,845
Other comprehensive income (expenses) for the year		-	-	-	-	(84,118)	152,087	9	-	(183,898)	-	(31,802)	(115,920)	(19,193)	(340)	(19,533)	(135,453)
Closing balance as at 31 December 2021		360,000	240,000	36,000	44	4,258,330	2,122	(29)	(41,839)	(109,654)	(416,352)	(565,752)	4,328,622	-	2,851	2,851	4,331,473
Opening balance as at 1 January 2022		360,000	240,000	36,000	44	4,258,330	2,122	(29)	(41,839)	(109,654)	(416,352)	(565,752)	4,328,622	-	2,851	2,851	4,331,473
Increase in ordinary shares	23	2,640,000	18,154,890	-	-		-	-	-	-	-	-	20,794,890	-	-	-	20,794,890
Legal reserve	25	-	-	264,000	-	(264,000)	-	-	-	-	-	-	-	-	-	-	-
Dividend payment	24	-	-	-	-	(7,680,000)	-	-	-	-	-	-	(7,680,000)	-	-	-	(7,680,000)
Reclassification from sale of investment in subsidiary	14.2	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,490)	(3,490)	(3,490)
Reclassification		-	-	-	-	(41,868)	-	29	41,839	-	-	41,868	-	-	-	-	-
Profit for the year		-	-	-	-	4,470,178	-	-	-	-	-	-	4,470,178	-	(446)	(446)	4,469,732
Other comprehensive income (expenses) for the year		-	-	-	-	41,562	(11,514)	-	-	663,475	-	651,961	693,523	-	10	10	693,533
Closing balance as at 31 December 2022		3,000,000	18,394,890	300,000	44	784,202	(9,392)	-	-	553,821	(416,352)	128,077	22,607,213	-	(1,075)	(1,075)	22,606,138

The accompanying notes are an integral part of these consolidated and separate financial statements.

i-Tail Corporation Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2022

		Separate financial statements							
				Retained earnings			Other components of equity		
				Appropriated					
	Notes	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Legal reserve Thousand Baht	Other reserve Thousand Baht	Unappropriated Thousand Baht	Hedging reserves (Note 26) Thousand Baht	Total other components of equity Thousand Baht	Total equity Thousand Baht
Opening balance as at 1 January 2021		360,000	240,000	36,000	44	2,603,890	74,244	74,244	3,314,178
Dividend payment	24	-	-	-	-	(1,260,000)	-	-	(1,260,000)
Profit for the year		-	-	-	-	2,994,613	-	-	2,994,613
Other comprehensive expense for the year		-	-	-	-	(50,284)	(183,898)	(183,898)	(234,182)
Closing balance as at 31 December 2021		360,000	240,000	36,000	44	4,288,219	(109,654)	(109,654)	4,814,609
Opening balance as at 1 January 2022		360,000	240,000	36,000	44	4,288,219	(109,654)	(109,654)	4,814,609
Increase in ordinary shares	23	2,640,000	18,154,890	-	-	-	-	-	20,794,890
Legal reserve	25	-	-	264,000	-	(264,000)	-	-	-
Dividend payment	24	-	-	-	-	(7,680,000)	-	-	(7,680,000)
Profit for the year		-	-	-	-	4,278,583	-	-	4,278,583
Other comprehensive income for the year		-	-	-	-	41,562	685,240	685,240	726,802
Closing balance as at 31 December 2022		3,000,000	18,394,890	300,000	44	664,364	575,586	575,586	22,934,884

The accompanying notes are an integral part of these consolidated and separate financial statements.

i-Tail Corporation Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2022 Thousand Baht	31 December 2021 Thousand Baht	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Net cash receipts from operating activities	33.1	2,042,829	1,122,804	1,872,372	879,203
Cash flows from investing activities					
Purchases of property, plant and equipment		(1,171,593)	(380,904)	(1,171,593)	(380,904)
Purchases of intangible assets		(24,581)	(1,975)	(24,581)	(1,975)
Cash payment for payable balance from investment in subsidiaries		-	-	(167,965)	-
Cash payment for investment in subsidiaries	15	-	-	-	(1,429)
Proceeds from sale of investment in subsidiaries	14.2	-	-	351,376	503,326
Cash payment for business combination under common control		(2,301,557)	(267,785)	(2,149,850)	(267,785)
Cash payment for investment in debt instruments		(737,777)	-	(737,777)	-
Proceeds from disposals of property, plant and equipment and right-of-use assets		8,806	2,699	8,806	2,529
Net cash receipts from (payments for) short-term loans to related parties	32.3	555,707	(555,707)	(141,945)	(555,707)
Net cash payments for long-term loans to related parties	32.4	-	-	(100,020)	-
Dividend received		-	-	-	2,261,544
Interest received		3,098	24	27,304	24
Net cash receipts from (payments for) investing activities from continuing operations		(3,667,897)	(1,203,648)	(4,106,245)	1,559,623
Net cash receipts from investing activities from discontinued operations	14.1	279,115	654,165	-	-
Net cash receipts from (payments for) investing activities		(3,388,782)	(549,483)	(4,106,245)	1,559,623
Cash flows from financing activities					
Net cash payments for short-term loans from financial institutions		-	(1,159,130)	-	(1,159,130)
Net cash receipts from (payments for) short-term loans from a related parties	33.2	(668,702)	203,832	-	-
Repayments for long-term loans from a related party	33.2	(99,720)	-	-	-
Cash paid for lease liabilities	33.2	(14,268)	(11,938)	(14,268)	(11,938)
Interest paid		(58,637)	(22,279)	(57,963)	(9,051)
Other finance costs paid		(26,468)	(1,444)	(26,468)	(1,444)
Cash receipts from non-controlling interests for additional share capital in a subsidiary		-	144	-	-
Cash received from issuance of common stock to the Parent		2,040,000	-	2,040,000	-
Cash received from public offering net with cost of issuing shares		18,754,890	-	18,754,890	-
Dividends paid to the owners of the parent		(7,670,434)	(1,257,170)	(7,670,434)	(1,257,170)
Net cash receipts from (payments for) financing activities from continuing operations		12,256,661	(2,247,985)	13,025,757	(2,438,733)
Net cash receipts from (payments for) financing activities from discontinued operations	14.1	(122,831)	1,659,395	-	-
Net cash receipts from (payments for) financing activities		12,133,830	(588,590)	13,025,757	(2,438,733)
Net increase (decrease) in cash and cash equivalents		10,787,877	(15,269)	10,791,884	93
Cash and cash equivalents - opening balance	9	3,293	21,628	1,840	1,750
Exchange gain (loss) on cash and cash equivalents		(1,735)	6,406	154	(3)
Total changes in cash and cash equivalents		10,789,435	12,765	10,793,878	1,840
Less: Included in the assets of disposal group classified as held-for-sale from discontinued operations		9,472	(9,472)	-	-
Cash and cash equivalents - closing balance	9	10,798,907	3,293	10,793,878	1,840
Non-cash items:					
Receivables from business combination under common control		-	193,220	-	193,220
Payable purchase of property, plant and equipment (included in trade and other payables)	21	207,632	24,172	207,632	24,172
Acquisition of right-of-use assets under lease contracts	17	25,240	27,689	25,240	24,143
Payable from investment in subsidiaries	15	-	-	-	167,965
Payable from business combination under common control		-	2,301,557	-	2,149,850
Dividend payable		9,566	-	9,566	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

i-Tail Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

1 General information

i-Tail Corporation 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 979/92-94, 29th Floor, S.M. Tower, Phaholyothin Road, Phayathai, Phayathai District, Bangkok. The Company has one branch in Songkhla and two branches in Samut Sakhon.

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, its parent company (the "Parent"), which owns 77.82% of the Company's shares. The parent company is incorporated in Thailand and listed on the Stock Exchange of Thailand.

The Group is principally engaged in the manufacture and export of canned seafood and animal feeds. The overseas subsidiaries are principally engaged in import and distributing pet food product.

These consolidated and separate financial statements were authorised for issuance by the Board of Directors on 15 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 the investments measured at fair value and derivatives as explained in the 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 Company'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 financial statements has 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 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) Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosure 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 or 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 and have not been early adopted by the Group and the Company.

a) 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.
b) 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.
c) 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.
d) 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.
e) Amendment to TFRS 9 - Financial instruments clarified which fees should be included in the 10% test for the derecognition of financial liabilities. I should only include fees between the borrower and lender.

4 Accounting policies

4.1 Principles of consolidation

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 though 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.

4.1.2 Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains or losses 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 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree,
- equity interests issued by the Group

Identifiable assets and liabilities acquired, and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred; the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses in consolidated financial statements, while they are recognised as cost of investment in the separate financial statements.

Step-up acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred, and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of by transferred to retained earnings.

4.3 Foreign currency translation

4.3.1 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 each entity operates, or the functional currency. The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

4.3.2 Transactions and balances

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

Foreign exchange gains and losses resulting from foreign currency transactions of monetary assets and liabilities are recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4.3.3 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.

4.4 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.

4.5 Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due to settlement between 7 to 120 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at its fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 4.7.

4.6 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.

4.7 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 whether their cash flows are solely payment of principal and interest (SPPI).

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 other 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 other 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 items 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.

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, 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.

4.8 Non-current assets held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

4.9 Property, plant and equipment

Land is stated at historical cost less allowance for impairment (if any). Land improvements, 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. All other repairs and maintenance are charged to profit or loss when incurred.

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	5 - 25 years
Buildings and building improvements	5 - 25 years
Machinery and factory equipment	5 - 15 years
Furniture, fixtures and office equipment	5 - 10 years
Vehicles	5 - 15 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 net proceeds with the carrying amount and are recognised in other gains or losses in the statement of income.

4.10 Intangible assets

Trademarks

Trademark acquired in business combinations are initially recognised at fair value at the acquisition date. Trademark with an indefinite useful life is carried at cost less allowance for impairment. The trademarks presented in these financial statements have indefinite useful lives and are tested annually for impairment.

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 not exceeding 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

4.11 Impairment of assets

An asset with an indefinite useful life is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. An asset that is subject to amortisation is reviewed for impairment whenever there is an indication of impairment. Impairment loss is recognised for the amount by which the carrying amount of the asset 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, impairment losses on the assets concerned is reversed.

4.12 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 substantially transfers all risks and rewards incidental to the underlying asset's ownership. 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 the 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.

4.13 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.

Borrowings are classified as current liabilities unless The Group has an unconditional right to defer the liability settlement 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 from the statement of financial position 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.

4.14 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.

4.15 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 income 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, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.16 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 plan

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 annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounted the estimated future cash outflows using the market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are charged or credited to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

Other long-term benefits

The Group operates other long-term benefit schemes for employees who complete the service years according to the policy.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

4.17 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.

4.18 Share capital

Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

4.19 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 generally meets the above requirements when it either ships or delivers finished goods and control of the goods transfers to the customer. At contact 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 a promised goods or services to a customer, which is when the customer obtains 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.

Dividend income is recognised when the right to receive payment is established.

4.20 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

4.21 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument in hedge accounting, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or unrecognised firm commitments (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains (losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains (losses).

i-Tail Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

4.22 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 factors

The Group exposes to a variety of financial risk: market risk (including currency 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 Treasury Committee. 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 globally.

5.1.1 Market risk

a) Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk arising mainly from trading transactions denominated in foreign currencies. The Group seeks to reduce this risk by entering forward exchange contracts when considering appropriate. The Group uses forward contracts, transacted with financial institutions to hedge their exposure to foreign currency risk in connection with their measurement currency.

The Group uses foreign currency forwards to hedge its exposure to foreign currency risk. Under the Group's policy, the critical terms of the forwards must align with the hedged items.

The Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedge is recognised in the cash flow hedge reserve within equity. The gain or loss to the ineffective portion is recognised immediately in profit or loss, within other gains (losses). The Group also entered into foreign currency forwards in relation to projected purchases for the next 12 months that do not qualify as 'highly probable' forecast transactions and hence do not satisfy the requirements for hedge accounting (economic hedges). The foreign currency forwards are subject to the same risk management policies as all other derivative contracts. However, they are accounted for as held for trading, with gains (losses) recognised in profit or loss.

Exposure

The Group and the Company's financial assets and liabilities balances denominated in foreign currencies are summarised in currency units below.

	Consolidated Financial Statements					
	Financial assets		Financial liabilities		Average exchange rate	
As at 31 December	**2022 Thousand unit**	**2021 Thousand unit**	**2022 Thousand unit**	**2021 Thousand unit**	**2022 Baht per currency**	**2021 Baht per currency**
USD	129,822	32,058	13,881	11,217	34.56	33.42
EUR	-	-	1,036	8	36.83	37.89
JPY	-	-	208,215	27,304	0.26	0.29

	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
As at 31 December	**2022 Thousand unit**	**2021 Thousand unit**	**2022 Thousand unit**	**2021 Thousand unit**	**2022 Baht per currency**	**2021 Baht per currency**
USD	129,822	32,058	13,881	11,217	34.56	33.42
EUR	-	-	1,036	8	36.83	37.89
JPY	-	-	208,215	27,304	0.26	0.29

Effect of hedge accounting on the financial position and performance

The effects of the foreign currency-related hedging instruments on the Group and the Company's financial position and performance are as follows:

	Consolidated financial statements		Separate financial statements	
As at 31 December	**2022**	**2021**	**2022**	**2021**
Cash flow hedge				
Foreign currency forward contracts				
Net carrying amount of hedging instruments (Thousand Baht)	579,673	(117,311)	579,673	(117,311)
Notional amount (Thousand unit)				
USD	391,207	270,854	391,207	270,854
Maturity date	January 2023 to March 2024	January 2022 to February 2023	January 2023 to March 2024	January 2022 to February 2023
Hedge ratio	1:1	1:1	1:1	1:1
Change in value of outstanding hedging instruments used for measuring ineffectiveness for the year (Thousand Baht)	11,106	(340,392)	11,106	(340,392)
Change in value of hedged item used to determine hedge ineffectiveness	(11,106)	340,392	(11,106)	340,392
Weighted average strike rate for outstanding hedging instruments USD:THB	35.40	32.97	35.40	32.97

Sensitivity

As shown in the table above, the Group is primarily exposed to changes between Baht and USD exchange rates. The sensitivity of pre-tax profit or loss to changes in the exchange rates arises, while holding all other variables constant, mainly comes from financial assets and liabilities denominated in USD. The impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges. The sensitivity of pre-tax profit or loss to changes in exchange rates can be presented as follows.

	Consolidated financial statements		Separate financial statements	
	Impact to net profit Thousand Baht	Impact to other components of equity Thousand Baht	Impact to net profit Thousand Baht	Impact to other components of equity Thousand Baht
As at 31 December 2022				
THB to USD	Increase/Decrease	Decrease/Increase	Increase/Decrease	Decrease/Increase
Increase / Decrease 1%	34,569	133,894	34,569	133,894
As at 31 December 2021				
THB to USD	Increase/Decrease	Decrease/Increase	Increase/Decrease	Decrease/Increase
Increase / Decrease 1%	7,131	89,699	7,131	89,699

b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to its short-term investments, short-term loans to related parties, long-term loans to subsidiary.

For interest rate risk, the Group's financial assets and liabilities mostly carried fixed interest rates. Therefore, the Group considers that interest rate risk is not a key business risk.

Significant financial assets and liabilities classified by interest rates type and maturity date in the table below.

	Consolidated financial statements								
	Fixed interest rates			Floating interest rates			Non-interest bearing Thousand Baht	Total Thousand Baht	Interest rate (% p.a.)
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht			
As at 31 December 2022									
Financial assets									
Cash and cash equivalents	9,505,029	-	-	1,271,705	-	-	22,173	10,798,907	0.01 - 1.3
Investment in debt measured at amortised cost	737,628	-	-	-	-	-	-	737,628	1.34 - 2.55
	10,242,657	-	-	1,271,705	-	-	22,173	11,536,535	
Financial liabilities									
Lease Liabilities	13,844	26,399	2,058	-	-	-	-	42,301	3.75 - 4.5
As at 31 December 2021									
Financial assets									
Cash and cash equivalents	-	-	-	1,800	-	-	1,493	3,293	0.04 - 0.13
Short-term loans to	-	-	-	555,707	-	-	-	555,707	0.68
	-	-	-	557,507	-	-	1,493	559,000	
Financial liabilities									
Short-term loans from the Parent	-	-	-	672,319	-	-	-	672,319	1.1
Long-term loans from the Parent	-	100,260	-	-		-	-	100,260	6
Lease Liabilities	9,629	22,053	423	-		-	-	32,105	3.5
	9,629	122,313	423	672,319	-	-	-	804,684	

	Separate financial statements								
	Fixed interest rates			Floating interest rates			Non-interest bearing	Total	Interest rate
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Thousand Baht	Thousand Baht	(% p.a.)
As at 31 December 2022									
Financial assets									
Cash and cash equivalents	9,500,000	-	-	1,271,705	-	-	22,173	10,793,878	0.01 - 1.3
Investment in debt measured at amortised cost	737,628	-	-	-	-	-	-	737,628	1.34 - 2.55
Short-term loans to	-	-	-	673,595	-	-	-	673,595	0.1 - 5.22
Long-term loans to	-	103,174	-	-	-	-	-	103,174	4.5
	10,237,628	103,174	-	1,945,300	-	-	22,173	12,308,275	
Financial liabilities									
Lease Liabilities	13,844	26,399	2,058	-	-	-	-	42,301	3.75 - 4.5
As at 31 December 2021									
Financial assets									
Cash and cash equivalents	-	-	-	1,800	-	-	40	1,840	0.04 - 0.13
Short-term loans to	-	-	-	555,707	-	-	-	555,707	0.68
	-	-	-	557,507	-	-	40	557,547	
Financial liabilities									
Lease Liabilities	9,629	22,053	423	-		-	-	32,105	3.5

Sensitivity

Profit or loss is sensitive to higher or lower interest expenses from borrowings as a result of changes in interest rates. The impact to net income in the consolidated financial statements can be presented as follows:

	Consolidated financial statements		Separate financial statements	
Impact to net income for the year ended 31 December	**2022 Thousand Baht**	**2021 Thousand Baht**	**2022 Thousand Baht**	**2021 Thousand Baht**
Interest rate - Increase / Decrease by 1 basis point	Increase / Decrease 12,717	Decrease / Increase 1,148	Increase / Decrease 19,453	Decrease / Increase 5,575

5.1.2 Credit risk

The Group has no significant concentrations of credit risk.

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties are accepted. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history by considering its financial position, past experiences and other relevant factors. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans as stated in the statement of financial position.

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 on macroeconomic factors affecting the ability of the customers to settle the receivables.

Loans to related parties measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected credit losses. Lifetime expected credit losses are recognised for the loans that the credit risk is significantly increased.

The impairment loss of trade receivables is disclosed in Note 4.7.

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 the availability of funding through an adequate amount of committed credit facilities. The unused borrowing facilities has been disclosed in Note 34.4. Due to the nature of the underlying business, the Group Treasury aims at maintaining funding flexibility by keeping committed credit lines available.

The table below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounted is not significant.

	Consolidated financial statements				
Maturity of financial liabilities	**Within 1 year Thousand Baht**	**1 - 5 years Thousand Baht**	**Over 5 years Thousand Baht**	**Total Thousand Baht**	**Carrying amount liabilities Thousand Baht**
As at 31 December 2022					
Non-derivative financial liabilities					
Trade and other payables	2,266,671	-	-	2,266,671	2,266,671
Lease liabilities	15,149	28,067	2,179	45,395	42,301
Other financial liabilities	-	18,818	10,041	28,859	28,859
Total non-derivative financial liabilities	2,281,820	46,885	12,220	2,340,925	2,337,831
Derivative liabilities					
Gross settled (Foreign currency forwards)					
(Inflow)	(2,414,961)	-	-	(2,414,961)	-
Outflow	2,542,504	-	-	2,542,504	106,702
Total derivative liabilities	127,543	-	-	127,543	106,702
As at 31 December 2021					
Non-derivative financial liabilities					
Trade and other payables	4,339,956	-	-	4,339,956	4,339,956
Short-term and long-term borrowings	672,319	121,158	-	793,477	772,579
Lease liabilities	10,672	23,611	437	34,720	32,105
Other financial liabilities	-	12,747	11,006	23,753	23,753
Total non-derivative financial liabilities	5,022,947	157,516	11,443	5,191,906	5,168,393
Derivative liabilities					
Gross settled (Foreign currency forwards)					
(Inflow)	(6,208,553)	(298,296)	-	(6,506,849)	-
Outflow	6,365,961	302,336	-	6,668,297	125,721
Total derivative liabilities	157,408	4,040	-	161,448	125,721

	Separate financial statements				
Maturity of financial liabilities	**Within 1 year Thousand Baht**	**1 - 5 years Thousand Baht**	**Over 5 years Thousand Baht**	**Total Thousand Baht**	**Carrying amount liabilities Thousand Baht**
As at 31 December 2022					
Non-derivative financial liabilities					
Trade and other payables	2,091,139	-	-	2,091,139	2,091,139
Lease liabilities	15,149	28,067	2,179	45,395	42,301
Other financial liabilities	-	18,818	10,041	28,859	28,859
Total non-derivative financial liabilities	2,106,288	46,885	12,220	2,165,393	2,162,299
Derivative liabilities					
Gross settled (Foreign currency forwards)					
(Inflow)	(2,414,961)	-	-	(2,414,961)	-
Outflow	2,542,504	-	-	2,542,504	106,702
Total derivatives liabilities	127,543	-	-	127,543	106,702
As at 31 December 2021					
Non-derivative financial liabilities					
Trade and other payables	4,075,013	-	-	4,075,013	4,075,013
Lease liabilities	10,672	23,611	437	34,720	32,105
Other financial liabilities	-	12,747	11,006	23,753	23,753
Total non-derivative financial liabilities	4,085,685	36,358	11,443	4,133,486	4,130,871
Derivatives liabilities					
Gross settled (Foreign currency forwards)					
(Inflow)	(6,208,553)	(298,296)	-	(6,506,849)	-
Outflow	6,365,961	302,336	-	6,668,297	125,721
Total derivatives liabilities	157,408	4,040	-	161,448	125,721

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, excluding where its fair value is approximating the carrying amount.

	Consolidated financial statements		Separate financial statements	
As at 31 December	**2022 Thousand Baht**	**2021 Thousand Baht**	**2022 Thousand Baht**	**2021 Thousand Baht**
Derivative assets				
Foreign currency forward contracts	657,273	8,499	657,273	8,499
Derivative liabilities				
Foreign currency forward contracts	106,702	125,721	106,702	125,721

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 contractual amount of financial derivatives and market foreign exchange rate. The fair values are within level 2 of the fair value hierarchy.

Financial assets and financial liabilities are approximately to the carrying amounts as follows:
- Cash and cash equivalents, including restricted cash
- Trade and other receivables
- Short-term and long-term loans to related parties
- Short-term and long-term loans from a parent company and financial institutions
- Trade and other payables
- Other non-current assets and liabilities

The fair values of long-term loans to and long-term loans from equal their carrying amount as its interest rates are similar to current market interest rates. Therefore, the impact of discounting is not significant.

Fair values and valuation techniques are categorised into hierarchy based on inputs used as follows:

Level 1 The fair value of financial instruments traded in the active market is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2 The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. The valuation techniques include the present value of the future cash flows based on observable yield curves and the forward exchange rates at the reporting date.

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.

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.

(a) Fair valuation of derivatives

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to make assumptions that are mainly based on market conditions existing at the end of each reporting period. Fair value of derivatives and technique used are included in Note 6.

(b) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 22.

(c) 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.

8 Segment and revenue 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 organises business units based on its products and services and has three reportable segments as follows:

- Pet food
- Ambient seafood and value-added
- Other products

As part of the business restructure plan, the Group has decided to reduce operations for the ambient seafood and value-added segment.

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 statement of comprehensive income.

Details of revenue disaggregation are similar to revenue information that is disclosed in segment information.

The following tables present revenue and gross profit information regarding the Group's operating segments.

	Consolidated financial statements			
For the year ended 31 December 2022	**Pet food Thousand Baht**	**Ambient seafood and value-added Thousand Baht**	**Others Thousand Baht**	**Total Thousand Baht**
The Company's revenue	18,815,728	846,145	327,916	19,989,789
Subsidiaries' revenue included in the consolidation	7,262,797	-	-	7,262,797
Eliminated transactions	(4,724,117)	-	-	(4,724,117)
Total revenue from external customers	21,354,408	846,145	327,916	22,528,469
Result				
Segment gross profit (loss)	5,412,135	25,899	(13,530)	5,424,504
Selling and administrative expenses (including impairment of financial assets)				(1,285,228)
Operating profit (not including other gains (losses))				4,139,276
Finance costs				(85,998)
Other gains (losses), net				447,069
Profit before income tax				4,500,347
Income tax				(70,122)
Profit for the year from continuing operations				4,430,225
Profit for the year from discontinued operations				39,507
Profit for the year				4,469,732
Timing of revenue recognition				
At a point in time	21,354,408	846,145	327,916	22,528,469

For the year ended 31 December 2021	Consolidated financial statements			
	Pet food Thousand Baht	Ambient seafood and value-added Thousand Baht	Others Thousand Baht	Total Thousand Baht
The Company's revenue	5,171,138	1,464,330	154,873	6,790,341
Subsidiaries' revenue included in the consolidation	3,156,533	-	-	3,156,533
Eliminated transactions	(2,838,358)	-	(646)	(2,839,004)
Total revenue from external customers	5,489,313	1,464,330	154,227	7,107,870
Result				
Segment gross profit (loss)	1,145,814	(34,953)	(46,080)	1,064,781
Selling and administrative expenses (including impairment of financial assets)				(592,360)
Operating profit (not including other gains (losses))				472,421
Finance costs				(24,675)
Other gains (losses), net				226,434
Profit before income tax				674,180
Income tax				19,737
Profit for the year from continuing operations				693,917
Profit for the year from discontinued operations				881,928
Profit for the year				1,575,845
Timing of revenue recognition				
At a point in time	5,489,313	1,464,330	154,227	7,107,870

Geographic information

The Group classifies its revenue according to the nature of its customers, which is revenue from the Parent, subsidiaries, companies under common control and other related parties and revenue from third parties. Regarding revenue from third parties, the Group classifies based on the location of customers, which is consistent with nature of revenue, as follows:

For the year ended 31 December	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Revenue from third parties		
Thailand	201,334	60,073
USA	11,908,431	4,852,658
Australia	900,230	526,311
Japan	2,292,861	69,643
China	2,096,159	116,378
Rest of Asia	963,082	145,091
European countries	3,216,477	636,473
Others	367,569	249,838
	21,946,143	6,656,465
Revenue from the Parent, other companies under common control and other related companies (Note 32.1)	582,326	451,405
	22,528,469	7,107,870

Major customers

During the year ended 31 December 2022, the Group had revenues from 3 major pet food customers, totalling of Baht 10,217 million, or 46% of total revenue (2021: 2 major pet food customers, totalling of Baht 2,620 million, or 37% of total revenue).

9 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 hands	173	40	173	40
Current and saving accounts	1,298,734	3,253	1,293,705	1,800
Fixed Deposit due within three months	9,500,000	-	9,500,000	-
Total cash and cash equivalents	10,798,907	3,293	10,793,878	1,840

10 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	3,526,317	1,067,626	3,186,157	1,117,188
Less Loss allowance for trade receivables	(40,662)	(22,299)	-	-
Trade receivables, net	3,485,655	1,045,327	3,186,157	1,117,188
Other receivables - related parties (Note 32.2)	7,788	2,714	21,716	9,765
Other receivables - third parties	26,241	19,498	19,364	1,429
Prepaid expenses - related parties (Note 32.2)	3,191	5,522	3,191	5,522
Prepaid expenses - third parties	6,656	9,232	4,903	4,093
Tax coupons	12,129	6,282	12,129	6,282
Advance payments	12,284	1,330	12,284	1,330
Total trade and other receivables, net	3,553,944	1,089,905	3,259,744	1,145,609

Trade receivables can analyse aging as follows:

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				
Not yet due	2,988,079	813,181	2,063,539	274,634
Up to 3 months	380,933	126,180	120,393	17,416
3 - 6 months	25,292	23,579	4,646	-
6 - 12 months	4,057	18,706	1,318	1
Over 12 months	19,074	1,477	1	-
	3,417,435	983,123	2,189,897	292,051
Less Loss allowance for trade receivables	(40,662)	(22,299)	-	-
	3,376,773	960,824	2,189,897	292,051
Trade receivables - related parties (Note 32.2)				
Not yet due	79,520	26,729	964,992	767,363
Up to 3 months	29,362	57,774	31,268	57,774
3 - 6 moths	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
	108,882	84,503	996,260	825,137
Less Loss allowance for trade receivables	-	-	-	-
	108,882	84,503	996,260	825,137
Trade receivables, net	3,485,655	1,045,327	3,186,157	1,117,188

The loss allowance was determined as follows for trade receivables:

	Consolidated financial statements		Separate financial statements	
	Trade receivables (Gross) Thousand Baht	Loss allowance Thousand Baht	Trade receivables (Gross) Thousand Baht	Loss allowance Thousand Baht
As at 31 December 2022				
Not yet due	3,067,599	(4,703)	3,028,531	-
Up to 3 months	410,295	(5,188)	151,661	-
3 - 6 months	25,292	(8,959)	4,646	-
6 - 12 months	4,057	(2,739)	1,318	-
Over 12 months	19,074	(19,073)	1	-
Total	3,526,317	(40,662)	3,186,157	-
As at 31 December 2021				
Not yet due	839,910	-	1,041,997	-
Up to 3 months	183,954	-	75,190	-
3 - 6 months	23,579	(2,117)	-	-
6 - 12 months	18,706	(18,705)	1	-
Over 12 months	1,477	(1,477)	-	-
Total	1,067,626	(22,299)	1,117,188	-

The loss allowance for trade receivables can be reconciled as follows:

	Consolidated financial statements		Separate financial statements	
For the years ended 31 December	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	22,299	27,762	-	-
Loss allowance recognised in profit or loss	18,733	4,535	-	-
Reclassify to assets of disposal groups classified as held-for-sale from discontinued operations	-	(11,142)	-	-
Translation differences	(370)	1,144	-	-
As at 31 December	40,662	22,299	-	-

11 Inventories, net

	Consolidated financial statements		Separate financial statements	
As at 31 December	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Finished goods	1,725,131	1,900,648	1,245,025	1,213,864
Work in process	14	14	14	14
Raw materials	1,672,286	908,880	1,672,286	912,673
Ingredients and packagings	874,943	831,646	874,943	847,907
Goods in transits	237,048	300,117	229,965	91,015
Spare parts and supplies	48,761	34,340	48,761	34,349
	4,558,183	3,975,645	4,070,994	3,099,822
Less Allowance for net realisable value	(101,163)	(131,029)	(96,788)	(129,232)
Total inventories, net	4,457,020	3,844,616	3,974,206	2,970,590

12 Financial assets and financial liabilities

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	10,798,907	3,293	10,793,878	1,840
Trade and other receivables, net	3,519,684	1,067,539	3,227,237	1,128,382
Short-term loans to related parties	-	555,707	673,595	555,707
Investment in debt instruments measured at amortised cost	737,628	-	737,628	-
Long-term loans to a subsidiary	-	-	103,174	-
Other non-current assets	251,852	221,947	251,852	221,947
Derivative financial instruments				
Under hedge accounting	655,148	8,410	655,148	8,410
Other	2,125	89	2,125	89
Total financial assets	15,965,344	1,856,985	16,444,637	1,916,375
Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	2,266,671	4,339,956	2,091,139	4,075,014
Short-term loans from a parent company	-	672,319	-	-
Long-term loans from the parent company	-	100,260	-	-
Other non-current liabilities	28,859	23,753	28,859	23,753
Derivative financial instruments				
Under hedge accounting	75,475	125,721	75,475	125,721
Other	31,227	-	31,227	-
Total financial liabilities	2,402,232	5,262,009	2,226,700	4,224,488

Investment in debt instruments measured at amortised cost is corporate bonds paying between 1.34% to 2.55% of interest per annum and the corporate bond have maturity dates ranging between 2 to 7 months from the reporting date. The counterparties have a minimum AA credit rating. The corporate bonds are held by the Group within a business model whose objective is to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence, corporate bonds are classified at amortised cost.

13 Other current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Value added tax refundable	207,380	58,722	207,380	58,722
Others	6,859	6,355	6,859	6,355
Total other current assets	214,239	65,077	214,239	65,077

14 Assets and liabilities of disposal groups classified as held-for-sale from discontinued operations

The Group's assets and liabilities of disposal groups classified as held-for-sale from discontinued operations comprised of two companies which are Asian-Pacific Can Co., Ltd. ("APC") which has been disposed on 9 February 2022 (Note 14.2) and Yueh Chyang Canned Food Co., Ltd. ("YCC"), which was disposed in December 2021.

Financial information in connection with operating results of the discontinued operations is set out below.

14.1 Financial information and cash flow information

Operating results of discontinued operations are as follows:

	Consolidated financial statements	
For the year ended 31 December	**2022 Thousand Baht**	**2021 Thousand Baht**
Revenue	364,720	5,878,678
Cost of sales	(242,954)	(4,471,717)
Gross profit	121,766	1,406,961
Selling and administrative expenses	(17,931)	(292,923)
Other income, net	10,475	149,202
Finance costs	(2,901)	(29,904)
Loss from disposal of a subsidiary	(52,706)	(102,613)
Profit before income tax	58,703	1,130,723
Income tax	(19,196)	(248,795)
Profit from discontinued operations	39,507	881,928
Exchange differences on translation	-	71,125
Remeasurement gain of employee benefit obligations, net of income tax	-	34,176
Change in fair value of investment measured at FVOCI, net of income tax	-	6,888
Other comprehensive income from discontinued operations	-	112,189
Total comprehensive income from discontinued operations	39,507	994,117
Total comprehensive income from each discontinued business		
Packaging business in Thailand		
- Profit for the year	39,507	993,652
- Other comprehensive expenses for the year	-	(34,167)
	39,507	959,485
Ambient seafood and value-added business in Vietnam		
- Loss for the year	-	(111,724)
- Other comprehensive income for the year	-	146,356
	-	34,632
Total comprehensive income for the year	39,507	994,117

The cash flow information of the discontinued operations of APC and YCC is as follows:

For the year ended 31 December	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Net cash receipts from operating activities	310,331	520,596
Net cash receipts from investing activities (2022: Include cash inflows of Baht 351.38 million from disposal of APC 2021: Include cash inflows of Baht 503.33 million from disposal of YCC)	279,115	654,165
Net cash receipts from (payments for) financing activities	(122,831)	1,659,395
Net cash flows increase	466,615	2,834,156

The results and cash flow information of discontinued operations as disclosed above were eliminated intercompany transactions between the Group. The significant intercompany transactions which were excluded from the operating results and cash flow information were revenues from sales between both subsidiaries classified as discontinued operations and the Company amounting to Baht 159 million (2021: Baht 727 million). The elimination transactions are part of cash flows from operating and financing activities of the discontinued operations before elimination.

14.2 Details of the sale of the subsidiary during the year

On 9 February 2022, the Company disposed an investment in APC with the amount of Baht 351.38 million to the Parent. Gain from disposal of Baht 65.78 million has been included in profit or loss in the separate financial information. While at the consolidation level, it is a loss from disposal of the subsidiary of Baht 52.71 million, that has been included as part of discontinued operations in the consolidated statement of comprehensive income. Details of the sale of APC can be summarised as follows:

	Consolidated financial information
	Thousand Baht
Consideration received - Cash	351,376
Less Carrying amount of net assets sold	(404,082)
Loss on sales of a subsidiary	(52,706)

The carrying amounts of assets and liabilities of APC at the disposal date were:

	Consolidated financial information
	Thousand Baht
Trade and other receivables, net	1,179,006
Inventory	2,000,527
Property, plant and equipment, net	1,657,300
Right-of-use assets, net	13,208
Intangible assets, net	11,038
Deferred tax assets, net	44,872
Other assets	105,399
Total assets	5,011,350
Trade and other payables	573,377
Short-term loans from the Parent	3,669,500
Employee benefit obligations	150,012
Lease liabilities	13,726
Other liabilities	197,163
Total liabilities	4,603,778
Net identifiable assets	407,572
Less: Non-controlling interests	(3,490)
Net identifiable assets disposed	404,082

i-Tail Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

15 Investment in subsidiaries using cost method

As at 31 December 2022, the subsidiaries included in consolidated financial statements are listed below. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

The movements of investments in subsidiaries during the year are as follows:

	Separate financial statements	
For the year ended 31 December	**2022 Thousand Baht**	**2021 Thousand Baht**
Opening net book value	169,394	865,594
Additions	-	169,394
Disposals, net	-	(580,002)
Reclassification to assets held-for-sale	-	(285,592)
Closing net book value	169,394	169,394

Details of the investments in subsidiaries as at 31 December 2022 and 2021 are as follows:

Company name	Nature of business	Country of incorporation	Registered and paid-up share capital		Proportion of shares directly held by the Group		Proportion of shares held by non-controlling interests		Cost		Dividend income received during the year *	
			2022	2021	2022 (%)	2021 (%)	2022 (%)	2021 (%)	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Asian-Pacific Can Co., Ltd. (APC)	Manufacturer and distributor of packaging for food products	Thailand	-	Baht 80 million	-	99	-	1	-	-	-	2,108,700
Yueh Chyang Canned Food Co., Ltd. (YCC)	Manufacturer and distributor of canned tuna and seafood	Vietnam	-	-	-	-	-	-	-	-	-	152,843
Japan Pet Nutrition Co., Ltd. (JPN)	Importer and distributor of pet food and pet related products	Japan	JPY 5 million	JPY 5 million	90	90	10	10	1,429	1,429	-	-
i-Tail Americas, Inc. (ITA) **	Holding company	USA	USD 5 million	USD 5 million	100	100	-	-	167,965	167,965	-	-
									169,394	169,394	-	2,261,543

* Dividend income was received from subsidiaries that was disposed during 2021 (Note 14).
** ITA has its wholly owned 100% subsidiary which included in the consolidated financial statement, US Pet Nutrition, LLC (USPN). USPN is an importer and distributor of premium food and is incorporated in USA.

All subsidiaries' undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Group do not differ from the proportion of ordinary shares held.

As at 31 December 2022, there is no subsidiary with material non-controlling interests.

16 Property, plant, and equipment, net

	Consolidated financial statements						
	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	655,824	1,772,713	6,121,164	127,280	164,345	354,512	9,195,838
Less Accumulated depreciation	(12,341)	(980,433)	(4,162,499)	(86,203)	(99,316)	-	(5,340,792)
Net book amount	643,483	792,280	1,958,665	41,077	65,029	354,512	3,855,046
For the year ended 31 December 2021							
Opening net book amount	643,483	792,280	1,958,665	41,077	65,029	354,512	3,855,046
Additions	-	1,113	39,437	8,032	13,371	620,090	682,043
Increase from business combination	267,785	717,222	1,150,016	11,826	24,744	236,065	2,407,658
Disposals, net book value	(348,860)	(204)	(2,547)	(179)	(934)	-	(352,724)
Write-off, net book value	-	(1,361)	1	(169)	-	-	(1,529)
Transfer in (out)	22,126	147,362	439,461	570	9,443	(618,962)	-
Depreciation charge	(383)	(91,127)	(388,437)	(15,315)	(15,776)	-	(511,038)
Reclassification to non-current assets held-for-sale and discontinued operations	(182,830)	(204,866)	(1,140,505)	(22,788)	(39,610)	(75,423)	(1,666,022)
Disposal of investment in a subsidiary	-	(172,958)	(99,943)	(204)	(1,295)	(733)	(275,133)
Translation adjustment	-	20,769	13,188	36	167	(1,044)	33,116
Closing net book amount	401,321	1,208,230	1,969,336	22,886	55,139	514,505	4,171,417
As at 31 December 2021							
Cost	401,321	1,893,325	3,711,949	73,536	122,996	514,505	6,717,632
Less Accumulated depreciation	-	(685,095)	(1,742,613)	(50,650)	(67,857)	-	(2,546,215)
Net book amount	401,321	1,208,230	1,969,336	22,886	55,139	514,505	4,171,417

	Consolidated financial statements						
	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	401,321	1,893,325	3,711,949	73,536	122,996	514,505	6,717,632
Less Accumulated depreciation	-	(685,095)	(1,742,613)	(50,650)	(67,857)	-	(2,546,215)
Net book amount	401,321	1,208,230	1,969,336	22,886	55,139	514,505	4,171,417
For the year ended 31 December 2022							
Opening net book amount	401,321	1,208,230	1,969,336	22,886	55,139	514,505	4,171,417
Additions	-	5,844	13,359	13,182	7,363	1,247,456	1,287,204
Disposals, net book value	-	(304)	(8,725)	(189)	(369)	(31)	(9,618)
Transfer in (out)	60,070	80,229	285,738	10,485	978	(437,500)	-
Depreciation charge	-	(96,317)	(432,062)	(13,401)	(14,170)	-	(555,950)
Closing net book amount	461,391	1,197,682	1,827,646	32,963	48,941	1,324,430	4,893,053
As at 31 December 2022							
Cost	461,391	1,971,375	3,986,638	96,165	127,608	1,324,430	7,967,607
Less Accumulated depreciation	-	(773,693)	(2,158,992)	(63,202)	(78,667)	-	(3,074,554)
Net book amount	461,391	1,197,682	1,827,646	32,963	48,941	1,324,430	4,893,053

	Separate financial statements						
	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	111,410	1,059,393	2,343,970	64,245	96,816	318,679	3,994,513
Less Accumulated depreciation	-	(649,018)	(1,621,754)	(48,409)	(67,310)	-	(2,386,491)
Net book amount	111,410	410,375	722,216	15,836	29,506	318,679	1,608,022
For the year ended 31 December 2021							
Opening net book amount	111,410	410,375	722,216	15,836	29,506	318,679	1,608,022
Additions	-	54	3,324	493	7,425	370,444	381,740
Increase from business combination	267,785	717,222	1,150,016	11,826	24,744	236,065	2,407,658
Disposals, net book value	-	(204)	(1,985)	(80)	(722)	-	(2,991)
Write-off, net book value	-	(66)	-	-	-	-	(66)
Transfer in (out)	22,126	122,375	263,250	570	2,362	(410,683)	-
Depreciation charge	-	(41,526)	(167,485)	(5,759)	(8,176)	-	(222,946)
Closing net book amount	401,321	1,208,230	1,969,336	22,886	55,139	514,505	4,171,417
As at 31 December 2021							
Cost	401,321	1,893,325	3,711,949	73,536	122,996	514,505	6,717,632
Less Accumulated depreciation	-	(685,095)	(1,742,613)	(50,650)	(67,857)	-	(2,546,215)
Net book amount	401,321	1,208,230	1,969,336	22,886	55,139	514,505	4,171,417

	Separate financial statements						
	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	401,321	1,893,325	3,711,949	73,536	122,996	514,505	6,717,632
Less Accumulated depreciation	-	(685,095)	(1,742,613)	(50,650)	(67,857)	-	(2,546,215)
Net book amount	401,321	1,208,230	1,969,336	22,886	55,139	514,505	4,171,417
For the year ended 31 December 2022							
Opening net book amount	401,321	1,208,230	1,969,336	22,886	55,139	514,505	4,171,417
Additions	-	5,844	13,359	13,182	7,363	1,247,455	1,287,203
Disposals, net book value	-	(304)	(8,725)	(189)	(369)	(30)	(9,617)
Transfer in (out)	60,070	80,229	285,738	10,485	978	(437,500)	-
Depreciation charge	-	(96,317)	(432,062)	(13,401)	(14,170)	-	(555,950)
Closing net book amount	461,391	1,197,682	1,827,646	32,963	48,941	1,324,430	4,893,053
As at 31 December 2022							
Cost	461,391	1,971,375	3,986,638	96,165	127,608	1,324,430	7,967,607
Less Accumulated depreciation	-	(773,693)	(2,158,992)	(63,202)	(78,667)	-	(3,074,554)
Net book amount	461,391	1,197,682	1,827,646	32,963	48,941	1,324,430	4,893,053

Depreciation is presented in the statement of comprehensive income as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cost of sales	540,192	473,047	540,192	211,350
Selling expenses	303	4,369	303	-
Administrative expenses	15,455	33,622	15,455	11,596
Total depreciation expenses	555,950	511,038	555,950	222,946
Less: Depreciation expenses related to discontinued operations	(17,742)	(288,092)	-	-
Total depreciation expenses related to continuing operations	538,208	222,946	555,950	222,946

As at 31 December 2022 and 2021, there is no property, plant and equipment of the Group and the Company pledged for any obligations.

17 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, net				
Land and land improvements	5,595	1,902	5,595	1,902
Building and building improvements	15,631	13,383	15,631	13,383
Machinery and equipment	7,784	16,446	7,784	16,446
Vehicles	12,739	-	12,739	-
Total right-of-use assets, net	41,749	31,731	41,749	31,731
Lease liabilities, net				
Current	13,844	9,629	13,844	9,629
Non-current	28,457	22,476	28,457	22,476
Total lease liabilities, net	42,301	32,105	42,301	32,105

Transactions recognised in profit and loss and cash flow in connection with leases are as follows:

For the year 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	794	5,168	794	568
Buildings and building improvements	3,192	11,494	3,192	3,564
Machinery and equipment	6,477	7,091	6,477	7,091
Vehicles	2,573	-	2,573	-
Total Depreciation charge of right-of-use assets	13,036	23,753	13,036	11,223
Less: Depreciation expenses related to discontinued operations	-	(12,530)	-	-
Total depreciation expenses related to continuing operations	13,036	11,223	13,036	11,223
Additions to the right-of-use assets during the year				
- continuing operations	25,240	24,143	23,005	24,143
- discontinued operations	-	3,546	-	-
Total cash outflow for leases				
- continuing operations	14,268	11,938	14,268	11,938
- discontinued operations	-	4,112	-	-
Finance costs relating to leases (included in finance costs)				
- continuing operations (Note 28)	1,459	1,026	1,459	1,026
- discontinued operations	-	800	-	-
Expenses relating to short-term leases (included in cost of sales and administrative expenses)				
- continuing operations	-	24,409	-	24,409

18 Intangible assets, net

	Consolidated financial statements		
	Trademarks Thousand Baht	Computer Software Thousand Baht	Total Thousand Baht
As at 1 January 2021			
Cost	-	49,257	49,257
Less Accumulated amortisation	-	(29,169)	(29,169)
Net book value	-	20,088	20,088
For the year ended 31 December 2021			
Opening net book value	-	20,088	20,088
Additions	-	4,026	4,026
Increase from business combinations	-	1,288	1,288
Disposals, net	-	(49)	(49)
Amortisation	-	(3,666)	(3,666)
Reclassify to assets classified as held-for-sale	-	(11,113)	(11,113)
Disposal of a subsidiary	-	(1,709)	(1,709)
Translation differences	-	(46)	(46)
Closing net book value	-	8,819	8,819

	Consolidated financial statements		
	Trademarks Thousand Baht	Computer Software Thousand Baht	Total Thousand Baht
As at 31 December 2021			
Cost	-	18,863	18,863
Less Accumulated amortisation	-	(10,044)	(10,044)
Net book value	-	8,819	8,819
For the year ended 31 December 2022			
Opening net book value	-	8,819	8,819
Additions	23,680	901	24,581
Amortisation	-	(1,671)	(1,671)
Closing net book value	23,680	8,049	31,729
As at 31 December 2022			
Cost	23,680	19,764	43,444
Less Accumulated amortisation	-	(11,715)	(11,715)
Net book value	23,680	8,049	31,729

	Separate financial statements		
	Trademarks Thousand Baht	Computer Software Thousand Baht	Total Thousand Baht
As at 1 January 2021			
Cost	-	49,257	49,257
Less Accumulated amortisation	-	(29,169)	(29,169)
Net book value	-	20,088	20,088
For the year ended 31 December 2021			
Opening net book value	-	20,088	20,088
Additions	-	4,026	4,026
Increase from business combinations	-	1,288	1,288
Disposals, net	-	(49)	(49)
Amortisation	-	(3,666)	(3,666)
Reclassify to assets classified as held-for-sale	-	(11,113)	(11,113)
Disposal of a subsidiary	-	(1,709)	(1,709)
Translation differences	-	(46)	(46)
Closing net book value	-	8,819	8,819
As at 31 December 2021			
Cost	-	18,863	18,863
Less Accumulated amortisation	-	(10,044)	(10,044)
Net book value	-	8,819	8,819
For the year ended 31 December 2022			
Opening net book value	-	8,819	8,819
Additions	23,680	901	24,581
Amortisation	-	(1,671)	(1,671)
Closing net book value	23,680	8,049	31,729
As at 31 December 2022			
Cost	23,680	19,764	43,444
Less Accumulated amortisation	-	(11,715)	(11,715)
Net book value	23,680	8,049	31,729

Amortisation is presented in the statement of comprehensive income as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cost of sales	492	391	492	391
Administrative expenses	1,179	3,275	1,179	3,275
Total Amortisation expenses	1,671	3,666	1,671	3,666
Less: Amortisation expenses related to discontinued operations	-	(2,054)	-	(2,054)
Total amortisation expenses related to continuing operations	1,671	1,612	1,671	1,612

19 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Deferred tax assets	49,459	39,521	11,336	39,033
Deferred tax liabilities	(6,315)	(2,562)	(4,944)	(2,562)
Deferred tax assets, net	43,144	36,959	6,392	36,471

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	36,959	27,815	36,471	5,871
Credited/(Charged) to profit or loss	16,776	35,773	(19,574)	19,175
Credited/(Charged) to other comprehensive income	(10,505)	19,969	(10,505)	11,425
Disposals of investment in a subsidiary	-	(1,609)	-	-
Reclassify to assets of disposal groups classified as held-for-sale from discontinued operations	-	(44,851)	-	-
Translation adjustment	(86)	(138)	-	-
As at 31 December	43,144	36,959	6,392	36,471

The movement in deferred tax assets and liabilities is as follows:

	Consolidated financial statements										
		Credited/(charged) to						Credited/(charged) to			
	As at 1 January 2021 Thousand Baht	Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	Disposal of investment in a subsidiary) Thousand Baht	Reclassification Thousand Baht	Translation adjustment Thousand Baht	As at 31 December 2021 Thousand Baht	Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	Translation adjustment Thousand Baht	As at 31 December 2022 Thousand Baht
Deferred tax assets											
Loss allowance for trade receivables	4,193	(928)	-	-	(3,265)	-	-	12,214	-	(81)	12,133
Allowance for net realisable value of inventories and inventory costs	19,897	18,163	-	(1,543)	(25,504)	72	11,085	14,624	-	(8)	25,701
Derivative contracts	41	6,609	88	-	-	-	6,738	4,001	(6,036)	-	4,703
Assets under lease liabilities	1,075	1,069	-	-	-	-	2,144	(1,816)	-	-	328
Employee benefit obligations	25,060	1,874	10,241	(1,800)	(29,776)	233	5,832	173	(294)	-	5,711
Loss carried forward	-	13,722	-	-	-	-	13,722	(13,722)	-	-	-
Others	2,379	(2,302)	-	-	(77)	-	-	888	-	(5)	883
Total	52,645	38,207	10,329	(3,343)	(58,622)	305	39,521	16,362	(6,330)	(94)	49,459
Deferred tax liabilities											
Depreciation of property, plant and equipment	(20,037)	4,975	-	1,734	13,771	(443)	-	-	-	-	-
Derivative contracts	(3,732)	(6,352)	9,640	-	-	-	(444)	-	(4,175)	-	(4,619)
Lease liabilities	(1,061)	(1,057)	-	-	-	-	(2,118)	1,794	-	-	(324)
Others	-	-	-	-	-	-	-	(1,380)	-	8	(1,372)
Total	(24,830)	(2,434)	9,640	1,734	13,771	(443)	(2,562)	414	(4,175)	8	(6,315)
Deferred tax assets (liabilities), net	27,815	35,773	19,969	(1,609)	(44,851)	(138)	36,959	16,776	(10,505)	(86)	43,144

	Separate financial statements						
		Credited/(charged) to			Credited/(charged) to		
	As at 1 January 2021	Profit and loss	Other comprehensive income	As at 31 December 2021	Profit and loss	Other comprehensive income	As at 31 December 2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deferred tax assets							
Allowance for net realisable value of inventories and inventory costs	5,871	4,726	-	10,597	(9,968)	-	629
Derivative contracts	42	6,608	88	6,738	3,966	(6,036)	4,668
Assets under lease liabilities	1,075	1,069	-	2,144	(1,816)	-	328
Employee benefit obligations	3,675	460	1,697	5,832	173	(294)	5,711
Loss carried forward	-	13,722	-	13,722	(13,722)	-	-
Total	10,663	26,585	1,785	39,033	(21,367)	(6,330)	11,336
Deferred tax liabilities							
Depreciation of property, plant and equipment	(3,730)	(6,354)	9,640	(444)	-	(4,175)	(4,619)
Lease liabilities	(1,062)	(1,056)	-	(2,118)	1,793	-	(325)
Total	(4,792)	(7,410)	9,640	(2,562)	1,793	(4,175)	(4,944)
Deferred tax assets (liabilities), net	5,871	19,175	11,425	36,471	(19,574)	(10,505)	6,392

20 Other non-current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Advance payments for purchases of construction and equipment	69,049	1,200	69,049	1,200
Deposits and guarantees	66,903	37,351	66,903	37,351
Amount due from a company under common control (Note 32.2)	184,915	184,531	184,915	184,531
Others	34	65	34	65
Total other non-current assets	320,901	223,147	320,901	223,147

21 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Trade payables - third parties	987,279	675,679	835,354	281,653
Trade payables - related parties (Note 32.2)	432,031	1,162,441	429,385	1,290,970
Accrued expenses and other payables - third parties	464,649	104,454	451,129	99,158
Accrued expenses and other payables - related parties (Note 32.2)	140,686	46,824	133,245	204,382
Dividend payables	34,394	24,829	34,394	24,829
Deposits and unearned revenue	88,566	16,282	84,163	16,281
Payable purchase of property, plant and equipment				
- third parties	207,437	24,172	207,437	24,172
- related parties (Note 32.2)	195	-	195	-
Payable from business combination under common control (Note 32.2)	-	2,301,557	-	2,149,850
Total trade and other payables	2,355,237	4,356,238	2,175,302	4,091,295

22 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				
- Retirement benefits	559,169	578,299	559,169	578,299
Expenses charge included in the statement of income				
- Retirement benefits	46,714	40,663	46,714	29,797
Remeasurement (gain) loss of retirement benefit obligations	(41,856)	94,701	(41,856)	51,981

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	578,299	442,807	578,299	335,878
Current service cost	38,672	30,720	38,672	24,330
Past service cost	-	3,109	-	-
Interest cost	8,042	6,834	8,042	5,467
	46,714	40,663	46,714	29,797
Remeasurements:				
Loss from change in demographic assumptions	-	27,018	-	12,602
Gain from change in financial assumptions	(66,354)	(12,393)	(66,354)	(18,775)
Experience loss	24,498	80,076	24,498	58,154
	(41,856)	94,701	(41,856)	51,981
Benefit payments	(30,959)	(19,265)	(30,959)	(15,857)
Decrease from disposal of a subsidiary during the year	-	(8,758)	-	-
Increase from acquisition of assets group that constitute a business under common control	-	184,531	-	184,531
Transfer employee to affiliated companies	(85)	(8,470)	(85)	(8,470)
Transfer employee from affiliated companies	7,056	439	7,056	439
Reclassification to liabilities of disposal groups classified as held-for-sale from discontinued operations	-	(148,878)	-	-
Translation adjustment	-	529	-	-
As at 31 December	559,169	578,299	559,169	578,299

Retirement benefits plans

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The Group expect to pay Baht 51 million of retirement benefits during the next year (2021: Baht 33 million).

The weighted average durations of the liabilities for retirement benefits for the Group and the Company are 11.6 years (2021: 11 years).

The principal actuarial assumptions used are as follows:

	Consolidated and Separate financial statements	
	2022	2021
Discount rate (%)	1.10 - 5.91	0.49 - 3.55
Salary growth rate (%)	2.00 - 6.00	2.00 - 6.00
Turnover rate (%)	2.00 - 30.00	3.00 - 30.00

Sensitivity analysis for each significant assumption used is as follows:

		Consolidated and Separate financial statements			
		Impact on defined benefit obligation			
		Increase in assumption		Decrease in assumption	
	Change in assumption	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Discount rate	1%	(43,120)	(35,162)	49,374	39,305
Salary growth rate	1%	48,273	39,238	(43,037)	(34,711)
Turnover rate	20%	(37,804)	(29,444)	43,899	34,109

The above sensitivity analysis is 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 methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

23 Share capital and premium on share capital

	Number of issued and paid-up shares Thousand shares	Ordinary shares Thousand Bath	Premium on share capital Thousand Baht
As at 1 January 2021	36,000	360,000	240,000
Issue of shares	-	-	-
As at 31 December 2021	36,000	360,000	240,000
Increase in ordinary shares from par value reduction from Baht 10 each to Baht 1 each	324,000	-	-
Issue of shares	2,640,000	2,640,000	18,600,000
Less Cost of issuing shares	-	-	(445,110)
As at 31 December 2022	3,000,000	3,000,000	18,394,890

On 31 March 2022, the Annual General Meeting of Shareholders of the Company passed the resolution to reduce par value of ordinary shares from Baht 10 each to Baht 1 each, resulting in the increase the number of ordinary shares from 36 million shares to 360 million shares. The Company has registered such capital increase with the Ministry of Commerce on 7 April 2022.

On the same day, the Annual General Meeting of Shareholders of the Company passed the resolution to approve the increase of registered shares with total amount of Baht 2,640 million, from Baht 360 million to Baht 3,000 million. The Company has registered such capital increase with the Ministry of Commerce on 8 April 2022. The Company offered 2,040 million newly issued ordinary shares to the Company's shareholders and received payment of shares with the amount of Baht 2,040 million in full within 29 April 2022.

On 9 December 2022, the Company offered 600 million shares to the public for the first time with a par value of Baht 1 per share at a price of Baht 32 per share amounting to Baht 19,200 million. Directly attributable expenses of the initial public offering amounted to Baht 445.11 million (net of tax) were presented deducting from premium on share capital.

As at 31 December 2022 and 2021, the total number of authorised ordinary shares are fully paid.

Under 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 reserve account (share premium). The share premium is not available for dividend distribution.

24 Dividends

On 8 April 2021, the Annual General Meeting of Shareholders for year 2021 approved a resolution to pay a dividend of Baht 15 per share, totalling Baht 540 million, from its net operating profit for the year ended 31 December 2020. The Company paid out the dividend to the Company's shareholders in April 2021.

On 6 August 2021, the Company's Board of Directors Meeting No. 3/2021 passed the resolution to approve an interim dividend payment at Baht 20 per share, totalling Baht 720 million. The Company paid out the dividend to the Company's shareholders in September 2021.

On 22 February 2022, the Board of Directors' meeting of the Company passed the resolution to propose to the Annual General of the Company to pay a dividend of Baht 1,440 million or Baht 40 per share from its net operating profit for the year 2021. This has also been approved by the Annual General of the Company on 31 March 2022. However, by the resolution of the Company's Board of Directors held on 6 August 2021, the Company paid out the interim dividend of Baht 20 per share or totalling Baht 720 million from operating profit for the six-month period ended 30 June 2021 which was paid on 6 September 2021. The remaining dividend of Baht 20 per share or totalling Baht 720 million was paid on 18 April 2022.

On 21 March 2022, the Board of Directors' meeting of the Company passed the resolution to distribute its unappropriated retained earnings as the interim dividend to its shareholders at the rate of Baht 80 per share for total issued and paid-up share capital of 36 million shares, totalling Baht 2,880 million. The interim dividend was paid on 20 April 2022.

On 5 August 2022, the Board of Directors' meeting passed the resolution to pay interim dividends to ordinary shareholders from the Company's accumulated operating profit as at 30 June 2022 at Baht 0.875 per share, totalling Baht 2,100 million, and to make appropriation of the legal reserve in the amount of Bath 264 million. Such dividends were paid on 30 August 2022.

On 25 October 2022, the Board of Directors' meeting passed the resolution to pay interim dividends to ordinary shareholders from the Group's accumulated operating profit as at 30 September 2022 at Baht 0.825 per share, totalling Baht 1,980 million. Such dividends were paid on 4 November 2022.

25 Legal reserve

For the year 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	36,000	36,000	36,000	36,000
Appropriate during the year	264,000	-	264,000	-
As at 31 December	300,000	36,000	300,000	36,000

Under of the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

26 Hedging reserve

The Group and the Company's hedging reserve relate to the following hedging instruments.

	Consolidated financial statements		Separate financial statements	
For the year ended 31 December	**2022 Thousand Baht**	**2021 Thousand Baht**	**2022 Thousand Baht**	**2021 Thousand Baht**
Opening balance 1 January	(109,654)	74,244	(109,654)	74,244
Change of fair value recognised in OCI	11,106	(340,392)	11,106	(340,392)
Reclassified from OCI to sales	662,580	146,766	684,345	146,766
Deferred taxes	(10,211)	9,728	(10,211)	9,728
As at 31 December	553,821	(109,654)	575,586	(109,654)

27 Other income

	Consolidated financial statements		Separate financial statements	
For the year ended 31 December	**2022 Thousand Baht**	**2021 Thousand Baht**	**2022 Thousand Baht**	**2021 Thousand Baht**
Tax coupons	88,416	46,784	88,416	46,784
Interest income	7,497	65	45,167	65
Claimed goods	135,265	10,151	135,265	10,151
Management fee	-	3,668	-	3,668
Others	16,705	23,597	24,902	36,375
Total other income	247,883	84,265	293,750	97,043

28 Finance costs

	Consolidated financial statements		Separate financial statements	
For the year ended 31 December	**2022 Thousand Baht**	**2021 Thousand Baht**	**2022 Thousand Baht**	**2021 Thousand Baht**
Interest expenses	58,071	22,205	57,985	8,983
Interest expenses from lease liabilities (Note 17)	1,459	1,026	1,459	1,026
Other finance costs	26,468	1,444	26,468	1,444
Total finance costs	85,998	24,675	85,912	11,453

29 Expenses by nature

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Changes in finished goods and work in process	175,517	(653,814)	(31,161)	(628,164)
Raw materials and consumables used and purchased finished goods	16,471,815	7,952,326	10,023,357	3,631,598
Employee expenses	2,742,188	1,831,596	2,691,223	1,246,975
Depreciation on property, plant and equipment and right-of-use assets (Note 16 and Note 17)	568,986	534,791	568,986	234,169
Amortisation of intangible assets (Note 18)	1,671	3,666	1,671	3,666

30 Income tax

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Current tax				
Current tax on profit for the year	106,141	260,143	17,313	-
Adjustments in respect of prior year	-	4,688	-	(74)
Total current tax	106,141	264,831	17,313	(74)
Deferred tax (Note 19)				
Decrease (Increase) in deferred tax assets	(16,362)	(38,207)	21,367	(26,585)
Increase (Decrease) in deferred tax liabilities	(461)	2,434	(1,793)	7,410
Total deferred income tax	(16,823)	(35,773)	19,574	(19,175)
Total income tax expenses	89,318	229,058	36,887	(19,249)
Income tax (income) expenses				
- continuing operations	70,122	(19,737)	36,887	(19,249)
- discontinued operations (Note 14.1)	19,196	248,795	-	-
Total income tax expenses	89,318	229,058	36,887	(19,249)

The taxes on the Group 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:

	Consolidated financial statements		Separate financial statements	
For the year ended 31 December	**2022 Thousand Baht**	**2021 Thousand Baht**	**2022 Thousand Baht**	**2021 Thousand Baht**
Total profit before tax from continuing operations	4,500,347	674,180	4,315,470	2,975,364
Total profit before tax from discontinued operations	58,703	1,130,723	-	-
Total profit before tax	4,559,050	1,804,903	4,315,470	2,975,364
Tax calculated at tax rates between 20% to 23.20% (2021: 15% to 21%)	908,573	414,498	863,094	595,073
Tax effect of:				
Income not subject to tax	(822,712)	(192,883)	(822,712)	(614,623)
Expenses not deductible for tax purpose	12,342	6,422	593	577
Additional expenses deductible for tax purpose	(10,090)	(3,667)	(4,088)	(202)
Tax losses for which no deferred tax asset was recognised	1,205	-	-	-
Adjustments in respect of prior year	-	4,688	-	(74)
Total income tax expenses	89,318	229,058	36,887	(19,249)

The Group and the Company's effective tax rate were 1.96% and 0.85%, respectively (2021: 12.69% and -0.65%, respectively). The change in average tax rate of the Group is due to the increase in profit before tax of the Company which received promotional privileges from the Office of the Board of Investment ("BOI").

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

	Consolidated financial statements					
For the year ended	**31 December 2022**			**31 December 2021**		
	Before tax Thousand Baht	**Tax credit Thousand Baht**	**After tax Thousand Baht**	**Before tax Thousand Baht**	**Tax charge Thousand Baht**	**After tax Thousand Baht**
Remeasurements gain (loss) of employee benefit obligations						
from continuing operations	41,856	(294)	41,562	(51,981)	1,697	(50,284)
from discontinued operations	-	-	-	(42,720)	8,544	(34,176)
	41,856	(294)	41,562	(94,701)	10,241	(84,460)
Hedging reserve						
from continuing operations	673,686	(10,211)	663,475	(193,626)	9,728	(183,898)
Other comprehensive income (expenses)	715,542	(10,505)	705,037	(288,327)	19,969	(268,358)

	Separate financial statements					
For the year ended	**31 December 2022**			**31 December 2021**		
	Before tax Thousand Baht	**Tax credit Thousand Baht**	**After tax Thousand Baht**	**Before tax Thousand Baht**	**Tax charge Thousand Baht**	**After tax Thousand Baht**
Remeasurements gain (loss) of employee benefit obligations	41,856	(294)	41,562	(51,981)	1,697	(50,284)
Hedging reserve	695,451	(10,211)	685,240	(193,626)	9,728	(183,898)
Other comprehensive income (expenses)	737,307	(10,505)	726,802	(245,607)	11,425	(234,182)

31 Earnings per share

Due to the par value reduction (Note 23), the number of ordinary shares used in calculating earnings per share for the year ended 31 December 2021 was 360 million shares. Hence, the basic earnings per share for the year ended 31 December 2021 has been revised accordingly.

Basic earnings per share is calculated by dividing profit for the year attributable to owners of the parent (excluded other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
For the year ended 31 December	**2022**	**2021**	**2022**	**2021**
Net profit attributable to the owners of the parent (Thousand Baht)				
• Continuing operations	4,430,734	726,450	4,278,583	2,994,613
• Discontinued operations	39,444	872,231	-	-
	4,470,178	1,598,681	4,278,583	2,994,613
Weighted average number of ordinary shares outstanding (Thousand shares)	1,772,712	360,000	1,772,712	360,000
Basic earnings per share (Baht per share)				
• Continuing operations	2.50	2.02	2.41	8.32
• Discontinued operations	0.02	2.42	-	-
	2.52	4.44	2.41	8.32

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

32 Related party transactions

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

32.1 Revenue from sales, purchases of goods and services, and purchases of fixed assets

	Consolidated financial statements		Separate financial information	
For the year ended 31 December	**2022 Thousand Baht**	**2021 Thousand Baht**	**2022 Thousand Baht**	**2021 Thousand Baht**
Revenue from sales				
from continuing operations				
Parent company	175,747	115,445	175,747	115,445
Subsidiaries	-	-	4,746,271	2,839,003
Other companies under common control	322,543	307,461	322,543	307,461
Other related companies	84,036	28,499	84,036	28,499
	582,326	451,405	5,328,597	3,290,408
from discontinued operations				
Parent company	47,746	484,410	-	-
Other companies under common control	145,861	3,146,741	-	-
Other related companies	-	23,071	-	-
	193,607	3,654,222	-	-
	775,933	4,105,627	5,328,597	3,290,408

i-Tail Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Other income				
from continuing operations				
Parent company	35	45	35	45
Subsidiaries	-	-	45,904	18,082
Other companies under common control	17,464	5,267	17,464	5,267
Other related companies	1	2,937	1	2,937
	17,500	8,249	63,404	26,331
from discontinued operations				
Parent company	-	80	-	-
Other companies under common control	1,121	30,177	-	-
Other related companies	2	11,645	-	-
	1,123	41,902	-	-
	18,623	50,151	63,404	26,331
Purchases of goods and services				
from continuing operations				
Parent company	622,532	217,578	618,244	214,542
Subsidiaries	-	-	159,254	630,865
Other companies under common control	4,515,600	1,365,591	4,515,600	1,353,685
Other related companies	111,818	23,744	111,818	23,744
	5,249,950	1,606,913	5,404,916	2,222,836
from discontinued operations				
Parent company	1,145	14,754	-	-
Other companies under common control	221	2,998	-	-
Other related companies	418	8,727	-	-
	1,784	26,479	-	-
	5,251,734	1,633,392	5,404,916	2,222,836
Interest expense				
from continuing operations				
Parent company	20,652	20,267	20,652	7,044
Other related companies	572	455	572	455
	21,224	20,722	21,224	7,499
from discontinued operations				
Parent company	2,783	17,084	-	-
	24,007	37,806	21,224	7,499
Purchases of fixed assets				
from continuing operations				
Other companies under common control *	39,881	2,408,974	39,881	2,408,974
Other related companies	24,071	1,539	24,071	-
	63,952	2,410,513	63,952	2,408,974

* Fixed assets purchased from a company under common control during 2021 amounting to Baht 2,409 million is part of pet food business acquisition.

32.2 Outstanding balances arising from sales and purchases of goods

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Trade receivables, net				
Parent company	61,777	49,113	61,777	49,113
Subsidiaries	-	-	887,378	740,634
Other companies under common control	44,277	33,484	44,277	33,484
Other related companies	2,828	1,906	2,828	1,906
	108,882	84,503	996,260	825,137
Other receivables				
Parent company	-	41	-	41
Subsidiaries	-	-	13,928	7,343
Other companies under common control	7,788	2,673	7,788	2,381
	7,788	2,714	21,716	9,765
Prepaid expenses				
Other related companies	3,191	5,522	3,191	5,522
Other non-current assets				
Other companies under common control	184,915	184,531	184,915	184,531
Other related companies	2,078	1,159	2,078	1,159
	186,993	185,690	186,993	185,690
Trade payables				
Parent company	53,999	11,592	51,353	10,162
Subsidiaries	-	-	-	141,883
Other companies under common control	364,488	1,144,340	364,488	1,132,416
Other related companies	13,544	6,509	13,544	6,509
	432,031	1,162,441	429,385	1,290,970
Accrued expenses and other payables				
Parent company	24,906	28,396	24,906	27,926
Subsidiaries	-	-	-	167,965
Other companies under common control	113,418	18,428	105,977	8,491
Other related companies	2,362	-	2,362	-
	140,686	46,824	133,245	204,382
Payable purchase of property, plant and equipment				
Other companies under common control	195	-	195	-
Payable from business combination under common control				
Other companies under common control	-	2,301,557	-	2,149,850
Other non-current liabilities				
Other companies under common control	10,041	11,006	10,041	11,006
Derivatives assets				
Parent company	-	8,410	-	8,410
Derivatives liabilities				
Parent company	-	125,721	-	125,721

32.3 Short-term loans to related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Parent company	-	555,707	-	555,707
Subsidiaries	-	-	673,595	-

The movements of short-term loans to a related party can be analysed as follows:

For the year ended 31 December 2022	Consolidated financial information Thousand Baht	Separate financial information Thousand Baht
Opening balance	555,707	555,707
Additions	-	3,919,542
Repayments	(555,707)	(3,777,597)
Gain from exchange rate	-	(24,057)
Closing balance	-	673,595

32.4 Long-term loans to subsidiary

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Subsidiary	-	-	103,174	-

The movements of long-term loans from a related party can be analysed as follows:

For the year ended 31 December 2022	Separate financial statements Thousand Baht
Opening balance	-
Additions	100,020
Gain from exchange rate	3,154
Closing balance	103,174

32.5 Short-term loans from parent company

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Parent company	-	672,319	-	-

The movements of short-term loans from a related party can be analysed as follows:

For the year ended 31 December 2022	Consolidated financial statements Thousand Baht	Separate financial statements Thousand Baht
Opening balance	672,319	-
Addition	11,346,140	11,346,140
Repayments	(12,014,842)	(11,346,140)
Translation adjustment	(3,617)	-
Closing balance	-	-

32.6 Long-term loans from parent company

As at 31 December	Consolidated financial statements 2022 Thousand Baht	 2021 Thousand Baht	Separate financial statements 2022 Thousand Baht	 2021 Thousand Baht
Parent company	-	100,260	-	-

The movements of long-term loans from a related party can be analysed as follows:

For the year ended 31 December 2022	Consolidated financial statements Thousand Baht
Opening balance	100,260
Repayment	(99,720)
Translation adjustment	(540)
Closing balance	-

32.7 Directors and key management remuneration

The compensation paid or payable to directors and key management is shown below:

For the year ended 31 December	Consolidated financial statements 2022 Thousand Baht	 2021 Thousand Baht	Separate financial statements 2022 Thousand Baht	 2021 Thousand Baht
Short-term employee benefits	53,702	7,958	53,702	7,958
Post-employment benefits	2,604	386	2,604	386
	56,306	8,344	56,306	8,344

32.8 Significant agreements with parent company

On 21 March 2022, the Company entered into the service agreement with the parent company. The agreement is effective since 1 January 2022 and shall be extended for another year unless earlier terminated. The Company is committed to pay service fees as specified in the agreement.

33 Cash flows information

33.1 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities is shown below:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Profit before income tax:				
From continuing operations	4,500,347	674,180	4,315,470	2,975,364
From discontinued operations	58,703	1,130,723	-	-
	4,559,050	1,804,903	4,315,470	2,975,364
Adjustment items:				
Depreciation expenses (Note 16 and 17)	568,986	234,171	568,986	234,171
Amortisation expenses (Note 18)	1,671	1,612	1,671	1,612
Allowance for loss on impairment of trade receivables (Note 10)	18,733	4,535	-	-
Loss from bad debts written-off	-	7,604	-	-
(Reversal of) Allowance for diminution in value of inventories	(30,114)	84,785	(32,444)	79,788
Employee benefit obligations (Note 22)	46,714	29,797	46,714	29,797
Loss on disposals and write-offs of property, plant and equipment, net	763	404	763	404
Fair value adjustments to derivatives	8,896	(3,452)	30,852	(3,452)
(Gain) Loss on exchange rates	66,810	(15,821)	118,932	(15,821)
(Gain) Loss from sale of investment in subsidiaries	-	-	(65,784)	76,676
Dividend received	-	-	-	(2,261,543)
Finance costs	85,998	24,675	85,912	11,453
Interest received	(7,497)	(65)	(45,167)	(65)
Profit before income tax from discontinued operations	(58,703)	(1,130,723)	-	-
	5,261,307	1,042,425	5,025,905	1,128,384
Changes in operating assets and liabilities:				
(Increase) Decrease in trade and other receivables	(2,558,204)	247,055	(2,207,679)	174,387
Increase in inventories	(481,489)	(1,805,838)	(971,172)	(1,253,046)
Increase in other current assets	(149,236)	(36,950)	(149,236)	(36,950)
(Increase) Decrease in other non-current assets	(29,905)	2,743	(22,849)	2,743
Increase (Decrease) in trade and other payables	(242,485)	1,174,218	218,955	885,130
Increase in other current liabilities	20,186	1,762	20,186	1,762
Increase in other non-current liabilities	5,106	5,048	5,021	5,048
Cash paid for employee benefit obligations	(30,959)	(15,857)	(30,959)	(15,857)
Cash flows receipts from operations	1,794,321	614,606	1,888,172	891,601
- Income tax paid	(61,823)	(12,398)	(15,800)	(12,398)
Net cash receipts from operating activities from continuing operations	1,732,498	602,208	1,872,372	879,203
Net cash receipts from operating activities from discontinued operations	310,331	520,596	-	-
Net cash receipts from operating activities	2,042,829	1,122,804	1,872,372	879,203

33.2 Change in liabilities arising from financing activities

	Consolidated financial statements					
	Short-term loans from financial institutions Thousand Baht	Short-term loans from a related party Thousand Baht	Accrued interest expenses Thousand Baht	Long-term loans from financial institutions Thousand Baht	Long-term loans from a related party Thousand Baht	Lease liabilities Thousand Baht
As at 1 January 2021	2,310,238	1,011,863	625	90,539	560,111	39,712
Cash flows from continuing operations	(1,159,130)	203,832	(23,723)	-	-	(11,938)
Cash flows from discontinued operations	(1,126,824)	3,148,167	(19,188)	(67,350)	(250,000)	(4,112)
Non-cash changes:						
Additions	-	-	52,754	-	-	27,689
Amortisation	-	-	-	-	-	(3,546)
Decrease from disposal of investment in subsidiary	(60,637)	(182,374)	(615)	(33,463)	-	(3,331)
Reclassification to liabilities of disposal groups classified as held-for-sales from discontinued operations	-	(3,562,000)	(9,512)	-	(220,000)	(14,427)
Amortisation of financing fees	-	-	-	-	-	1,826
Gain on exchange rates	(1,661)	(11,401)	(17)	(93)	-	(91)
Translation adjustment	38,014	64,232	146	10,367	10,149	323
As at 31 December 2021	-	672,319	470	-	100,260	32,105
Cash flows from continuing operations	-	(668,702)	(85,105)	-	(99,720)	(14,268)
Cash flows from discontinued operations	-	(112,500)	(9,580)	-	-	(751)
Non-cash changes:						
Additions	-	-	84,538	-	-	25,240
Disposal	-	-	-	-	-	(2,235)
Amortisation	-	-	-	-	-	1,459
Decrease from disposal of held-for-sales		112,500	9,580	-	-	751
Translation adjustment	-	(3,617)	119	-	(540)	-
As at 31 December 2022	-	-	22	-	-	42,301

	Separate financial statements		
	Short-term loans from financial institutions Thousand Baht	Accrued interest expenses Thousand Baht	Lease liabilities Thousand Baht
As at 1 January 2021	1,159,130	68	18,874
Cash flows	(1,159,130)	(9,051)	(11,938)
Non-cash changes:			
Additions	-	8,983	24,143
Amortisation of financing fees	-	-	1,026
As at 31 December 2021	-	-	32,105
Cash flows	-	(57,963)	(14,268)
Non-cash changes:			
Additions	-	57,985	25,240
Write-off			(2,235)
Amortisation of financing fees	-	-	1,459
As at 31 December 2022	-	22	42,301

34 Commitments and contingent liabilities

34.1 Capital commitments

The Group had capital commitments as at the statement of financial position date but not recognised as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Factory, building and warehouse construction agreements	320,820	33,930	320,820	29,459
Purchases of machinery and equipment agreements	489,957	249,810	489,957	119,422
Computer and program installation agreements	3,017	6,545	3,017	6,407

34.2 Guarantees

As at 31 December 2022, there were outstanding bank guarantee of Baht 9.82 million on behalf of the Company in the normal course of business. (2021: Baht 24.43 million on behalf of the Company in the normal course of business).

34.3 Service agreements

The Group's subsidiary entered into a service agreement in relation to distribution and marketing services and management services. The agreement is effective from 19 May 2021 to 30 September 2023. The Group's subsidiary has a commitment to pay the service fee at the rate stipulated in the agreement. The total contract value is USD 0.3 million. The fee for the year 2022 recognised as an expense was USD 0.20 million resulting in remaining fee of USD 0.10 million (2021: nil).

34.4 Other commitments

As at 31 December 2022 and 2021, the Group had unused overdraft lines from financial institutions and other credit facilities in the amount of Baht 12,687 million and Baht 350 million, respectively. The facilities above are not including unused borrowing facilities of subsidiaries which are classified as assets held for sales from discontinue operations and are disposed during the year.

35 Financial instruments

Details of derivatives balance at the end of the period and change in fair value of financial instruments which is a part of other gains (losses) in the statement of income for the year can be summarised as follows:

35.1 Derivatives

The Group has the following derivative financial instruments:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Current derivative assets				
Foreign currency forwards - held for trading	2,125	89	2,125	89
Foreign currency forwards - cash flow hedges	558,526	6,432	558,526	6,432
Total current derivative assets	560,651	6,521	560,651	6,521
Non-current derivative assets				
Foreign currency forwards - cash flow hedges	96,622	1,978	96,622	1,978

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Current derivative liabilities				
Foreign currency forwards - held for trading	31,227	-	31,227	-
Foreign currency forwards - cash flow hedges	75,475	123,796	75,475	123,796
Total current derivative liabilities	106,702	123,796	106,702	123,796
Non-current derivative liabilities				
Foreign currency forwards - cash flow hedges	-	1,925	-	1,925

Derivatives are used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. Most of them are presented as current assets or liabilities to the extent they are expected to be realised within 12 months after the end of the reporting period.

35.2 Other gains (losses), net

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Gain on exchange rates, net	228,575	135,360	229,570	135,360
Gain (loss) on financial instruments, net	(29,389)	6,809	(29,191)	6,809
Total other gains (losses), net	199,186	142,169	200,379	142,169

Gain (Loss) on exchange rate from effective hedge accounting reclassified from other comprehensive income to sales is disclosed in Note 26.

36 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. As a promoted industry, the Company is required to comply with the terms and conditions as specified in the promotional certificates.

Revenue classified by BOI and Non-BOI promoted activities disclosed below has not been audited under the agreed-upon procedures which are based on the procedures set out by the Board of Investment. Revenue from Non-BOI business included non-exemption from the privilege on corporate income tax and revenue after the exemption period.

For the year ended 31 December	Separate financial statements					
	BOI Promoted activities		Non-BOI promoted activities		Total	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Domestic sales	299,776	30,133	528,881	324,797	828,657	354,930
Export sales	18,784,338	5,584,657	376,794	850,754	19,161,132	6,435,411
Total revenue from sales	19,084,114	5,614,790	905,675	1,175,551	19,989,789	6,790,341

i-Tail Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

37 Events occurring after the reporting period

On 7 February 2023, the Group established a company named i-Tail Europe B.V. which is a company registered in Netherlands. The purpose of this Company is to import and distribute pet food and pet-related products. The registered share capital is EUR 100,000. The Group has 100% interest in i-Tail Europe B.V., resulting in i-Tail Europe B.V. being a subsidiary of the Group.

On 15 February 2023, the Board of Directors' meeting of the Company passes the resolution to propose to the Annual General of the Company to pay a dividend from the Company's accumulated operating profit for the year ended 2022 to ordinary shareholders totaling of Baht 7,560 million. However, by the resolution of the Company's Board of Directors meetings during the year, the Company had paid out the interim dividend totaling of Baht 6,960 million (as disclosed in Note 24). Therefore, the remaining dividend was Bath 0.20 per share, totaling of Baht 600 million, will be paid to shareholders in April 2023.

i-Tail Corporation Public Company Limited

Pro Forma Consolidated Financial Information

31 December 2022

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of i-Tail Corporation Public Company Limited

Report on the Compilation of Pro Forma Consolidated Financial Information

I have completed my assurance engagement to report on the compilation of pro forma consolidated financial information of i-Tail Corporation Public Company Limited (i-Tail or the Company) and its subsidiaries (the Group) by i-Tail's directors. The pro forma consolidated financial information consists of the pro forma consolidated statements of financial position as at 31 December 2022, the pro forma consolidated statements of comprehensive income and the pro forma consolidated statements of cash flows for the year then ended, and the related notes. The applicable criteria on the basis of which i-Tail's directors have compiled the pro forma consolidated financial information are described in Note 3 and 4.

The pro forma consolidated financial information has been complied by i-Tail's directors to illustrate the impact of the event or transactions set out in Note 4 on the Group's pro forma consolidated financial position as at 31 December 2022, the Group's pro forma consolidated financial performance and the Group's pro forma consolidated cash flows for the year then ended as if the event or transaction had taken place at 1 January 2019. As part of this process, i-Tail's directors have extracted information about i-Tail and its subsidiaries' financial position as at 31 December 2022, financial performance and cash flow for the year then ended from i-Tail and its subsidiaries' financial statements for the year ended 31 December 2022, on which either the audit reports have been published or some statements have no audit reports as described in Note 3.

Directors' Responsibility for the Pro Forma Consolidated Financial Information

i-Tail's directors are responsible for compiling the pro forma consolidated financial information on the basis of the applicable criteria set out in Note 3 and Note 4.

My Independence and Quality Control

I have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Thai Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibilities

My responsibility is to express an opinion about whether the pro forma consolidated financial information has been compiled, in all material respects, by i-Tail's directors on the basis of the applicable criteria as described in Note 3 and 4.

I conducted my engagement in accordance with the Thai Standard on Assurance Engagement (TSAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that I plan and perform procedures to obtain reasonable assurance about whether i-Tail's directors have compiled, in all material respects, the pro forma consolidated financial information on the basis of the applicable criteria as described in Note 3 and 4.

For purposes of this engagement, I am not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated financial information, nor have I, in the course of this engagement, performed audit or review of the financial information used in compiling the pro forma consolidated financial information.

The purpose of the pro forma consolidated financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, I do not provide any assurance that the actual outcome of the events or transactions incurred between 1 January 2022 and 31 December 2022.

A reasonable assurance engagement to report on whether the pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by i-Tail's directors in the compilation of the pro forma consolidated financial information provide a reasonable basis for presentation the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information

The procedures selected depend on my judgement, having regard to my understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated financial information.

I believe that the evidence I have obtain is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria as described in Note 3 and 4.

Emphasis of matter

The comparative pro forma consolidated financial information is based on the pro forma consolidated financial information which the auditor provided the assurance report as described in Note 3.

Restriction on Use

The pro forma consolidated financial information was prepared for the purpose of presenting and comparing in the Management Discussion and Analysis (MD&A) of i-Tail Corporation Public Company Limited and for no other purpose.

PricewaterhouseCoopers ABAS Ltd.

Pongthavee Ratanakoses
Certified Public Accountant (Thailand) No. 7795
Bangkok
15 February 2023

i-Tail Corporation Public Company Limited
Pro Forma Consolidated Statement of Financial Position
As at 31 December 2022

	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Assets		
Current assets		
Cash and cash equivalents	13,253,733	702,645
Trade and other receivables, net	3,517,435	2,207,050
Short-term loans to related parties	-	555,707
Inventories, net	4,453,630	3,497,931
Debt instruments measured at amortised cost	737,628	-
Derivative assets	560,651	6,521
Other current assets	227,396	65,077
Total current assets	22,750,473	7,034,931
Non-current assets		
Property, plant and equipment, net	4,893,053	4,171,417
Right-of-use assets, net	41,749	31,731
Intangible assets, net	31,729	8,819
Derivative assets	96,622	1,978
Deferred tax assets, net	43,143	36,471
Other non-current assets	320,901	223,147
Total non-current assets	5,427,197	4,473,563
Total assets	28,177,670	11,508,494

The accompanying notes are an integral part of the pro forma consolidated financial information.

i-Tail Corporation Public Company Limited
Pro Forma Consolidated Statement of Financial Position (continued)
As at 31 December 2022

	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Liabilities and equity		
Current liabilities		
Trade and other payables	2,353,029	1,576,011
Current portion of long-term loans from the parent company	-	2,300,000
Current portion of lease liabilities, net	13,844	9,629
Income tax payable	14,686	46,989
Derivative liabilities	106,702	123,796
Other current liabilities	28,298	8,111
Total current liabilities	2,516,559	4,064,536
Non-current liabilities		
Lease liabilities, net	28,457	22,476
Employee benefit obligations	559,169	578,299
Derivative liabilities	-	1,925
Other non-current liabilities	28,859	23,753
Total non-current liabilities	616,485	626,453
Total liabilities	3,133,044	4,690,989

i-Tail Corporation Public Company Limited
Pro Forma Consolidated Statement of Financial Position (continued)
As at 31 December 2022

	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Liabilities and equity (continued)		
Equity		
Share capital		
Authorised share capital		
3,000,000,000 ordinary shares at a par value of Baht 1 per share (31 December 2021: 36,000,000 ordinary shares at a par value of Baht 10 per share)	3,000,000	360,000
Issued and fully paid-up share capital		
3,000,000,000 ordinary shares at a par value of Baht 1 per share (31 December 2021: 36,000,000 ordinary shares at a par value of Baht 10 per share)	3,000,000	360,000
Premium on share capital	18,394,890	240,000
Retained earnings		
Appropriate - legal reserve	300,000	36,000
Appropriate - other reserve	44	44
Unappropriated	3,179,795	6,513,100
Differences arising from the business combination under common control	(409,437)	(409,437)
Other components of equity	563,477	77,798
Total equity attributable to owners of the parent	25,028,769	6,817,505
Non-controlling interests	15,857	-
Total equity	25,044,626	6,817,505
Total liabilities and equity	28,177,670	11,508,494

The accompanying notes are an integral part of the pro forma consolidated financial information.

i-Tail Corporation Public Company Limited
Pro Forma Consolidated Statement of Comprehensive Income
For the year ended 31 December 2022

	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Sales	21,420,051	14,528,677
Cost of sales	(16,071,215)	(11,172,698)
Gross profit	5,348,836	3,355,979
Other income	247,041	120,571
Profit before expenses	5,595,877	3,476,550
Selling expenses	(525,586)	(463,232)
Administrative expenses	(713,426)	(518,308)
Other gain (loss), net	175,055	285,459
Operating profit	4,531,920	2,780,469
Finance costs	(82,477)	(31,773)
Profit before income tax	4,449,443	2,748,696
Income tax	(48,089)	(27,740)
Pro forma profit for the year	4,401,354	2,720,956
Pro forma other comprehensive income (expenses)		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements gain (loss) of employee benefit obligations, net of income tax	41,562	(23,339)
Total items that will not be reclassified subsequently to profit or loss	41,562	(23,339)
Items that will be reclassified subsequently to profit or loss:		
Exchange differences from translation	(22,311)	(17,968)
Hedging reserve reclassified to profit or loss, net of income tax	684,345	146,766
Change in fair value of hedging derivatives, net of income tax	895	(330,664)
Total items that will be reclassified subsequently to profit or loss	662,929	(201,866)
Pro forma other comprehensive income (expenses) for the year, net of income tax	704,491	(225,205)
Total pro forma comprehensive income for the year	5,105,845	2,495,751

The accompanying notes are an integral part of the pro forma consolidated financial information.

i-Tail Corporation Public Company Limited
Pro Forma Consolidated Statement of Comprehensive Income (continued)
For the year ended 31 December 2022

	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Pro forma profit attributable to:		
Owners of the parent	4,401,904	2,720,956
Non-controlling interests	(550)	-
Pro forma profit for the year	4,401,354	2,720,956
Total pro forma comprehensive income attributable to:		
Owners of the parent	5,089,988	2,495,751
Non-controlling interests	15,857	-
Total pro forma comprehensive income for the year	5,105,845	2,495,751
Earnings per share for profit attributable to the owners of the parent (Baht) (Note 4.8)		
Basic earnings per share (Baht)		
Total basic earnings per share (Baht)	2.48	7.56

The accompanying notes are an integral part of the pro forma consolidated financial information.

i-Tail Corporation Public Company Limited
Pro Forma Consolidated Statement of Cash Flows
For the year ended 31 December 2022

	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Cash flows from operating activities		
Pro forma profit before income taxes	4,449,443	2,748,696
Adjustments for:		
Depreciation and amortisation expenses	570,657	535,971
Allowance for loss impairment on trade receivables	18,733	11,074
(Reversal of) Allowance for diminution in value of inventories	(13,666)	62,046
Employee benefit obligations	46,714	44,794
Gain on disposals and write-offs of property, plant and equipment, net	763	404
Fair value adjustments to derivatives	30,852	(3,452)
Gain (Loss) on exchange rates	57,497	(23,276)
Finance costs	123,705	34,900
Interest income	(45,167)	(516)
Profit before income tax after adjustments	5,239,531	3,410,641
Changes in operating assets and liabilities		
- Increase in trade and other receivables	(1,422,662)	(88,602)
- Increase in inventories	(944,611)	(1,330,596)
- Increase in other current assets	(149,236)	(36,950)
- (Increase) Decrease in other non-current assets	(22,849)	14,691
- Increase in trade and other payables	559,797	432,397
- Increase in other current liabilities	20,186	1,762
- Increase in other non-current liabilities	5,021	5,048
- Cash paid for employee benefit obligations	(30,959)	(15,857)
Cash flows payments for operations	3,254,218	2,392,534
- Income tax paid	(62,789)	(29,295)
Net pro forma cash receipts from operating activities	3,191,429	2,363,239

The accompanying notes are an integral part of the pro forma consolidated financial information.

i-Tail Corporation Public Company Limited
Pro Forma Consolidated Statement of Cash Flows (continued)
For the year ended 31 December 2022

	31 December 2022 Thousand Baht	31 December 2021 Thousand Baht
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,171,593)	(753,777)
Purchases of intangible assets	(24,581)	(2,200)
Cash payment for investment in a subsidiary	-	(1,429)
Cash payment for investment in debt instruments	(737,777)	-
Cash receipts from (payments for) short-term loans to the parent company	555,707	(555,707)
Cash receipts from the disposal of property, plant and equipment	8,806	2,529
Interest received	27,304	475
Net pro forma cash payments for investing activities	(1,342,134)	(1,310,109)
Cash flows from financing activities		
Net cash payments for short-term loans from financial institutions	-	(1,159,130)
Repayments for long-term loans from the parent company	(2,299,487)	-
Cash payments for lease liabilities	(14,268)	(11,938)
Interest paid	(82,694)	(32,374)
Other finance costs paid	(26,468)	(1,444)
Cash received from issuance of common stock to the Parent	2,040,000	-
Cash received from public offering net with cost of issuing shares	18,754,890	-
Dividend paid to the Company's shareholders	(7,670,434)	(1,257,170)
Net pro forma cash receipts from (payments for) financing activities	10,701,539	(2,462,056)
Net increase (decrease) in pro forma cash and cash equivalents	12,550,834	(1,408,926)
Pro forma cash and cash equivalents - opening balance	702,645	2,111,573
Exchange loss on cash and cash equivalents	254	(2)
Pro forma cash and cash equivalents - closing balance	13,253,733	702,645
Non-cash items:		
Payable balances from purchase of property, plant and equipment (included in trade and other payables)	207,632	24,172
Acquisitions of right-of-use assets under lease contracts	25,240	24,143
Dividend payable (included in trade and other payables)	9,566	-

The accompanying notes are an integral part of the pro forma consolidated financial information.

i-Tail Corporation Public Company Limited
Explanatory Notes to Pro Forma Consolidated Financial Information
For the year ended 31 December 2022

1 General information

i-Tail Corporation Public Company (the 'Company' or 'i-Tail') 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 979/92-94, 29th floor, S.M. Tower, Phaholyothin Road, Phayathai, Phayathai District, Bangkok. The Company has three branches in Songkla and Samutsakorn.

The Company is controlled by Thai Union Group Public Company Limited ('Parent Company'), which owns 77.82% of its shares. The Parent Company is incorporated in Thailand and listed on the Stock Exchange of Thailand.

The Company is principally engaged in manufacturing and exporting canned seafood and animal feeds.

Details of the Company's subsidiaries included in the consolidated financial statements of i-Tail and its subsidiaries as at 31 December 2022 are as follows:

Company name	Nature of business	Country of incorporation	Shareholding percentage as at 31 December 2022
i-Tail Americas, Inc. (ITA)	Holding company	USA	100%
US Pet Nutrition, LLC (USPN) (held by ITA)	Importer and distributor of pet food and pet related products	USA	100%
Japan Pet Nutrition Co., Ltd. (JPN)	Importer and distributor of pet food and pet related products	Japan	90%

2 Objective in preparation the pro forma consolidated financial information

The pro forma consolidated financial information referred to in the explanatory notes comprises the pro forma consolidated statement of financial position as at 31 December 2022 and 2021; the pro forma consolidated statement of comprehensive income and the pro forma consolidated statement of cash flows for the years then ended; and the related notes (collectively called the 'Pro Forma Consolidated Financial Information') under the assumptions described in Note 3 and 4.

The Company's management has prepared this Pro Forma Consolidated Financial Information. It is intended to be presented and compared in the Management Discussion and Analysis (MD&A) for the consistency with the financial information that was included in the Company's prospectus as part of the initial public offering. The Pro Forma Consolidated Financial Information provides financial information as if it reflected a material impact on the financial information regarded as disposals of investments to related companies under common control of the Parent Company, a discontinued business of the manufacture and export of other ambient food, a business combination under common control, and a pet food business acquisition from a related company under common control (collectively called the 'Business Restructuring') as described in Note 4.1 and the financing structure established to fund the Business Restructuring as described in Note 4.6 have occurred since 1 January 2019, which is consistent with the pro forma consolidated financial information for the year ended 31 December 2021 that was included in this Pro Forma Consolidated Financial Statement, as well as the pro forma consolidated financial information for the year ended 31 December 2020 and 2019 and for the nine-month period ended 30 September 2022 that have been included in the Company's prospectus.

The Pro Forma Consolidated Financial Information has been prepared based on unrealised assumptions. Therefore, it does not represent the actual financial position and is unsuitable for purposes other than those stated above.

In presenting the Pro Forma Consolidated Financial Information, the Company presented only the above information without preparing and presenting the pro forma consolidated statement of changes in owner's equity and notes to the pro forma consolidated financial information as required by Thai Financial Reporting Standards ('TFRS'). The accounting policies used are the same as the Company's annual financial statements, except for the assumptions used to prepare the Pro Forma Consolidated Financial Information as described in Note 4.

The Company and its subsidiaries according to the assumptions in relation to the Business Restructuring as described in Note 4 are referred as 'the Group' in this Pro Forma Consolidated Financial Information.

i-Tail Corporation Public Company Limited
Explanatory Notes to Pro Forma Consolidated Financial Information
For the year ended 31 December 2022

3 Applicable criteria used in compiling the Pro Forma Consolidated Financial Information

The Pro Forma Consolidated Financial Information was compiled using the following financial information:

3.1 audited consolidated and separate financial statements of i-Tail Corporation Public Company Limited and its subsidiaries for the year ended 31 December 2022
3.2 financial information of US Pet Nutrition, LLC (USPN) prepared by the management for the year ended 31 December 2022
3.3 related party transactions between the Group for the year ended 31 December 2022
3.4 management assumptions related to the Business Restructuring that might occur before or after the date of this Pro Forma Consolidated Financial Information, including related transactions that should be in the discontinued business of the manufacture and export of canned seafood and the operation of pet food business as summarised in Note 4
3.5 management assumptions related to the financing structure established to fund the Business Restructuring are summarised in Note 4.6.

Adjustments reflected in the Pro Forma Consolidated Financial Information ('pro forma adjustments') are based on factually supportable items and directly attributable to the Business Restructuring and the related financing activities, as further described in Note 4. The Pro Forma Consolidated Financial Information does not reflect the cost of any integrated activities or the value of any integrated benefits from the Business Restructuring, including potential synergies generated in future periods.

In relation to the relevant comparative pro forma consolidated financial information, the management has referred to the pro forma consolidated financial information for the years ended 31 December 2021, 2020, and 2019 according to the auditor's assurance report on the compilation of pro forma consolidated financial information included in a prospectus dated 8 April 2022.

4 Significant assumptions used in compiling the Pro Forma Consolidated Financial Information

The assumptions used in preparing this Pro Forma Consolidated Financial Information are consistent with the assumptions used in the preparing the pro forma consolidated financial information for the years ended 31 December 2021, 2020, and 2019 according to the auditor's assurance report on the compilation of pro forma consolidated financial information included in a prospectus dated 8 April 2022.

Significant assumptions used in the preparation of the Pro Forma Consolidated Financial Information are as follows:

4.1 Business Restructuring

In 2021, the Company's management approved a Business Restructuring plan to dispose of investments in subsidiaries to related companies under common control of the Parent Company, a discontinued business of the manufacture and export of other ambient food, a business combination under common control and a pet food business acquisition from a related company under common control, which can be summarised as follows.

4.1.1 On 6 August 2021, the Company's Board of Directors Meeting approved the disposal of all investments in Asian-Pacific Can Co., Ltd. (APC), which accounts for 99%, to the Parent Company. The Company signed a share purchase agreement (SPA) with its Parent Company on 9 February 2022 with the consideration of THB 351.38m.

4.1.2 On 15 December 2021, the Company signed a capital contribution transfer agreement (CCTA) to sell its entire investment in Yueh Chyang Canned Food Co., Ltd. (YCC), representing 100%, to a related company under common control of the Parent Company. The sale value is VND 350,000m (equivalent to THB 503.33m).

4.1.3 On 16 November 2021, the Board of Directors Meeting approved the discontinued operation of the manufacturing and distributing of other ambient seafood, which is expected to be completely discontinued within 2022. However, the Company has no plans to sell any assets or lay off employees related to the discontinued segment because those items can be used in the Company's operations and production of other segments.

4.1.4 On 31 December 2021, i-Tail Americas, Inc. (ITA), the Company's new subsidiary that was established during the year, signed a membership interest purchase agreement (MIPA) to purchase 100% of the investment in US Pet Nutrition, LLC (USPN), where USPN is a subsidiary in the United States under common control of the Parent Company. The purchase amount is USD 4.52m, equivalent to THB 146.67m (exchange rate as at 1 January 2019).

4.1.5 On 31 December 2021, the Company entered into a business transfer agreement (BTA) to purchase a pet food business from Thai Union Manufacturing Co., Ltd. (TUM), which includes an assets acquisition and the transfer of some employees working directly for the said business. The total purchase consideration was THB 2,224m, which is equal to total net assets and liabilities acquired as at 31 December 2021. The Company's management considers that the transfer of such business, assets acquired and liabilities assumed constitutes a business, as defined in TFRS 3, Business Combinations. Therefore, the Pro Forma Consolidated Financial Information was prepared as if the Company had acquired this investment since 1 January 2019. The management's assumption is that the purchase amount equals the carrying amount of net assets acquired from the TUM business acquisition, which consists of property, plant and equipment, computer software and employee benefit obligations as at 1 January 2019.

This Pro Forma Consolidated Financial Information is treated as if the Business Restructuring explained above occurred on 1 January 2019, which is consistent with the pro forma consolidated financial information for the years ended 31 December 2021, 2020 and 2019 that have been included in the Company's prospectus. The Company's subsidiaries under this Pro Forma Consolidated Financial Information are as follows:

			Shareholding percentage as at	
Company name	Nature of business	Country of incorporation	31 December 2022	31 December 2021
US Pet Nutrition, LLC (USPN) (assumedly held by i-Tail since 1 January 2019)	Importer and distributor of pet food and pet related products	USA	100%	100%
i-Tail Americas, Inc. (ITA)*	Holding company	USA	100%	100%
Japan Pet Nutrition Co., Ltd. (JPN)**	Importer and distributor of pet food and pet related products	Japan	90%	90%

* ITA was established in 2021 for the purpose of investment in USPN and has no other operations. In the preparation of this Pro Forma Consolidated Financial Information, the Company has assumedly invested in USPN (Note 4.4) and included ITA in this Pro Forma Consolidated Financial Information.

** JPN was established in 2021 and had not started operations yet. The impact on non-controlling interest for the year 2021 is insignificant.

4.2 Disposal of investments in subsidiaries to a related company under common control of the Parent Company

The Company recognised the disposal of investments in APC and YCC as if it had occurred on 1 January 2019 with the actual consideration amount (Note 4.1.1 and 4.1.2). Therefore, the Company does not recognise dividend income received from APC and YCC after 1 January 2019 in this Pro Forma Consolidated Financial Information.

In the preparation of the pro forma consolidated statement of financial position as at 31 December 2021, the Company adjusted its investments in subsidiaries presented in the separate statement of financial position with the retained earnings that resulted from the following transactions: (i) recognition of retained earnings in relation to APC and YCC as at 1 January 2019, which is the assumed date of investment disposal, (ii) reversal of dividend income received from APC and YCC during 2021 and (iii) reversal of loss from disposal of investment in YCC on 15 December 2021. The Company recognised the differences from such adjustments to cash and cash equivalents in the pro forma consolidated statement of financial position as at 31 December 2021.

In the preparation of the pro forma consolidated financial information for the year ended 31 December 2022, the Company adjusted the retained earnings in the separate statement of financial position as at 31 December 2022. The adjusted retained earnings resulted from the following transactions: (i) recognition of retained earnings in relation to APC as at 1 January 2019, which is the assumed date of investment disposal, (ii) reversal of dividend income received from APC and YCC and loss from disposal of investment in YCC actually incurred in 2021 and (iii) reversal of gain from disposal of investment in APC recognised in the separate statement of comprehensive income for the year ended 31 December 2022. The Company adjusted its retained earnings against cash and cash equivalents in the pro forma consolidated statement of financial position as at 31 December 2022.

i-Tail Corporation Public Company Limited
Explanatory Notes to Pro Forma Consolidated Financial Information
For the year ended 31 December 2022

4.3 Discontinued manufacture and export of other ambient seafood business

The Company has adjusted significant items relating with the discontinued manufacture and export of other ambient seafood business (Note 4.1.3) to reflect such transaction in the Pro Forma Consolidated Financial Information. The assumptions used for pro forma adjustments of those items are as follows.

1) For items specific to the discontinued business, they have been determined based on the activities directly related to the discontinued business.
2) For operational activities indirectly related to the discontinued business, they have been adjusted based on an allocation basis that relates to the nature of those items.

Those significant items are adjusted in the Pro Forma Consolidated Financial Information namely trade receivables, inventories, trade payables, corporate income tax payable and related business performance.

The Company recognises the pro forma adjustments related to the allocated operating performance of the discontinued business as if no related income and expenses of the said business were included in the pro forma consolidated statement of comprehensive income for the year ended 31 December 2022 and 2021. The Company recognises pro forma adjustments to allocate the discontinued business's assets and liabilities on the basis described above and retained earnings arising from the operating results of the discontinued business from 1 January 2019, which is the date assuming the business has discontinued, until the date 31 December 2022 with the recognition of the remaining difference of each year to cash and cash equivalents in the pro forma consolidated statement of financial position.

4.4 Business combination under common control

The Company recognised the investment in USPN (Note 4.1.4) as if it had been the Company's subsidiary since 1 January 2019. The purchase amount in USPN is USD 4.52m, equivalent to THB 146.67m (exchange rate as at 1 January 2019). The fair value of net liabilities assumed, after net with assets acquired in connection with the business acquisition as at 1 January 2019 approximates THB 262.76m. When comparing the consideration paid, there is a difference with the business combination under common control of THB 409.43m, which has been presented as part of other components of equity in the pro forma consolidated statement of financial position as at 31 December 2022 and 2021.

Regarding the compilation of the pro forma consolidated financial information for 2021, the Company has included USPN's financial information as pro forma adjustments and eliminated outstanding balances between the Company and USPN as at 31 December 2021 and transactions between the Company and USPN incurred for the year ended 31 December 2021. Income tax and deferred tax belonging to USPN included in the pro forma consolidated financial information for 2021 are presented in line with the amounts previously recognised in USPN, without recalculation.

Regarding the pro forma consolidated financial information for the year ended 31 December 2022, the Company has included the USPN's financial information for such year ended as the pro forma adjustments with the same approach used in the preparation of the interim consolidated financial information for the year ended 31 December 2022 because the Company has acquired the investment in USPN since 31 December 2021. The pro forma consolidated statement of financial position as at 31 December 2022 has included a pro forma adjustment in relation to retained earnings arising from the operating results of USPN from 1 January 2019, which the date assuming the investment in USPN has been acquired until 31 December 2021, against cash and cash equivalents in the pro forma consolidated statement of financial position as at 31 December 2022.

4.5 Pet food business acquisition from a related company under common control

For the transfer of the pet food business from TUM (Note 4.1.5), the Company has adjusted significant financial items relating to the pet food business to reflect the nature of the business operation and its performance in this Pro Forma Consolidated Financial Information. The assumptions used for pro forma adjustments of those items are as follows.

1) Items specific to the pet business were determined based on the activities directly related to the said business.
2) Operating activities indirectly related to the pet food business were adjusted on an allocation basis that relates to the nature of those items.

Those significant financial items adjusted in the Pro Forma Consolidated Financial Information as at 31 December 2021 include trade receivables, inventories, trade payables, accrued expenses, unearned income and other payables. The Company recognised pro forma adjustments to allocate the pet food business's assets and liabilities on the basis described above, and retained earnings arising from the operating results of the said business from 1 January 2019, which is the date assuming that the pet food business had been acquired until 31 December 2021 with the recognition of the remaining difference to cash and cash equivalents in the pro forma consolidated statement of financial position as at 31 December 2021. The Company also recognised the pro forma adjustments related to the said business as if it had been part of the pro forma consolidated statement of comprehensive income for the year ended 31 December 2021.

Regarding the compilation of the pro forma consolidated financial information for the year ended 31 December 2022, the Company recognised retained earnings arising from the operating result of the said business from 1 January 2019, which is the date assuming that the pet food business had been acquired until 31 December 2021 with the recognition of the remaining difference to cash and cash equivalents in the pro forma consolidated statement of financial position as at 31 December 2022. Regarding the pro forma consolidated statement of comprehensive income for the year ended 31 December 2022, the Company did not recognise pro forma adjustments for the operating result of the said business because the Company has acquired the pet food business since 31 December 2021 and included the said business's operating results as part of the separate statement of comprehensive income for the year ended 31 December 2022.

4.6 Sources of funding and interest expenses

As part of the assumptions for the pro forma adjustments, the Company assumed it would have the following long-term borrowing agreements with the Parent Company:

Amount (million THB)	Period (years)	Effective date	Interest rate (%p.a.)	Repayment assumption*
2,300	4	1 January 2019	0.88%	Interest is payable monthly. The Company assumedly would have repaid the total loan balance in January 2022.

* In the pro forma consolidated financial information as at 31 December 2021 referred in Note 3, the long-term borrowing from the Parent Company was assumedly due for repayment on 31 December 2022. This assumption is changed for this Pro Forma Consolidated Financial Information. However, there was no impact on the classification of this borrowing in the pro forma consolidated statement of financial position as at 31 December 2021.

These funds provide financial support for the Business Restructuring as described in Note 4.1.

The funding and interest expenses were recognised as if the Company had entered into funding agreements on 1 January 2019. Interest expenses in the pro forma consolidated statement of comprehensive income for the year ended 31 December 2021 were calculated based on the previously mentioned sources of funding. The corporate income tax rate for such interest expenses was calculated using the Company's average effective tax rate for the year.

4.7 Income taxes

Regarding the compilation of this Pro Forma Consolidated Financial Information, the Company adjusted corporate income taxes related to the Business Restructuring based on the Company's effective tax rate and profit before tax of each year. The Company adjusted the income tax in the pro forma consolidated statement of comprehensive income and income tax payable in the pro forma consolidated statement of financial position. However, the Company did not make deferred tax adjustments because its impact is considered insignificant.

4.8 Change in share capital

On 31 March 2022, the i-Tail Annual General Meeting of Shareholders passed a resolution to reduce the par value of ordinary shares from THB 10 each to THB 1 each, resulting in an increase in the number of ordinary shares from 36m shares to 360m shares. i-Tail registered this capital increase with the Ministry of Commerce on 7 April 2022. The number of ordinary shares used in calculating earnings per share for the year ended 31 December 2021 was 360 million shares.

On the same day, the Annual General Meeting of Shareholders of the Company passed the resolution to approve the increase of registered shares with total amount of Baht 2,640m, from Baht 360m to Baht 3,000m. The Company has registered such capital increase with the Ministry of Commerce on 8 April 2022. The Company offered 2,040 million newly issued ordinary shares to the Company's shareholders and received payment of shares with the amount of Baht 2,040 million in full within 29 April 2022.

On 9 December 2022, the Company offered 600 million shares to the public for the first time with a par value of Baht 1 per share at a price of Baht 32 per share amounting to Baht 19,200 million. Direct attributable expenses of the initial public offering amounted to Baht 445.11 million (net of tax) were presented deducting from premium on share capital.

Basic earnings per share is calculated by dividing profit for the year attributable to owners of the parent (excluded other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares used in calculating earnings per share for the year ended 31 December 2022 was 1,772.71 million shares.

i-Tail Corporation Public Company Limited
Explanatory Notes to Pro Forma Consolidated Financial Information
For the year ended 31 December 2022

5 Pro forma adjustments

The effects of adjusting the assumptions in the Pro Forma Consolidated Financial Information are as follows:

Pro forma consolidated statement of financial position as at 31 December 2022	i-Tail's separate financial information (Note 3.1) Thousand THB	Pro forma adjustments Thousand THB	Elimination Thousand THB	Pro forma consolidated financial information Thousand THB
Current assets				
Cash and cash equivalents	10,793,878	2,459,855	-	13,253,733
Trade and other receivables, net	3,259,744	1,158,535	(900,844)	3,517,435
Short-term loans to a subsidiary	673,595	-	(673,595)	-
Inventories, net	3,974,206	578,358	(98,934)	4,453,630
Investment in debt instruments measured at amortised cost	737,628	-	-	737,628
Derivative assets	560,651	-	-	560,651
Other current assets	214,239	13,157	-	227,396
Non-current assets				
Investments in subsidiaries using the cost method	169,394	(169,394)	-	-
Long-term loans to a subsidiary	103,174	-	(103,174)	-
Property, plant and equipment, net	4,893,053	-	-	4,893,053
Right-of-use assets, net	41,749	-	-	41,749
Intangible assets, net	31,729	-	-	31,729
Derivative assets	96,622	-	-	96,622
Deferred tax assets, net	6,392	12,810	23,941	43,143
Other non-current assets	320,901	-	-	320,901
Total assets	**25,876,955**	**4,053,321**	**(1,752,606)**	**28,177,670**
Current liabilities				
Trade and other payables	2,175,302	1,084,398	(906,671)	2,353,029
Short-term loans from related parties	-	676,946	(676,946)	-
Current portion of lease liabilities, net	13,844	-	-	13,844
Income tax payable	1,440	13,246	-	14,686
Derivative liabilities	106,702	-	-	106,702
Other current liabilities	28,298	-	-	28,298
Non-current liabilities				
Long-term loans from a related party	-	103,687	(103,687)	-
Lease liabilities, net	28,457	-	-	28,457
Employee benefit obligations	559,169	-	-	559,169
Derivative liabilities	-	-	-	-
Other non-current liabilities	28,859	-	-	28,859
Total liabilities	**2,942,071**	**1,878,277**	**(1,687,304)**	**3,133,044**
Share capital and premium on share capital	21,394,890	-	-	21,394,890
Retained earnings	964,408	2,603,004	(87,573)	3,479,839
Differences arising from the business combination under common control	-	(409,437)	-	(409,437)
Other components of equity	575,586	(18,523)	6,414	563,477
Non-controlling interests	-	-	15,857	15,857
Total equity	**22,934,884**	**2,175,044**	**(65,302)**	**25,044,626**
Total liabilities and equity	**25,876,955**	**4,053,321**	**(1,752,606)**	**28,177,670**

i-Tail Corporation Public Company Limited
Explanatory Notes to Pro Forma Consolidated Financial Information
For the year ended 31 December 2022

Pro forma consolidated statement of comprehensive income for the year ended 31 December 2022	i-Tail's separate financial information (Note 3.1) Thousand THB	Pro forma adjustments Thousand THB	Elimination Thousand THB	Pro forma consolidated financial information Thousand THB
Sales	19,989,789	6,176,501	(4,746,239)	21,420,051
Cost of sales	(15,055,987)	(5,721,515)	4,706,287	(16,071,215)
Gross profit	**4,933,802**	**454,986**	**(39,952)**	**5,348,836**
Other income	293,750	(799)	(45,910)	247,041
Profit before expenses	**5,227,552**	**454,187**	**(85,862)**	**5,595,877**
Selling expenses	(462,738)	(71,049)	8,201	(525,586)
Administrative expenses	(629,595)	(83,831)	-	(713,426)
Other gain (loss), net	200,379	(8,494)	(16,830)	175,055
Gain from sale of investment in a subsidiary	65,784	(65,784)	-	-
Operating profit	**4,401,382**	**225,029**	**(94,491)**	**4,531,920**
Finance costs	(85,912)	(34,359)	37,794	(82,477)
Profit before income tax	**4,315,470**	**190,670**	**(56,697)**	**4,449,443**
Income tax	(36,887)	(35,143)	23,941	(48,089)
Pro forma profit for the year	**4,278,583**	**155,527**	**(32,756)**	**4,401,354**
Pro forma other comprehensive income (expenses)				
Items that will not be reclassified subsequently to profit or loss				
- Remeasurement gain (loss) of employee benefit obligations, net of income tax	41,562	-	-	41,562
Total items that will not be reclassified subsequently to profit or loss	41,562	-	-	41,562
Items that will be reclassified subsequently to profit or loss				
- Exchange differences from translating financial statements	-	(15,892)	(6,419)	(22,311)
- Hedging reserve reclassified to profit or loss, net of income tax	684,345	-	-	684,345
- Change in fair value of hedging derivatives, net of income tax	895	-	-	895
Total items that will be reclassified subsequently to profit or loss	685,240	(15,892)	(6,419)	662,929
Pro forma other comprehensive income (expenses) for the year, net of income tax	**726,802**	**(15,892)**	**(6,419)**	**704,491**
Total pro forma comprehensive income for the year	**5,005,385**	**139,635**	**(39,175)**	**5,105,845**

i-Tail Corporation Public Company Limited

Explanatory Notes to Pro Forma Consolidated Financial Information

For the year ended 31 December 2022

Pro forma consolidated statement of cash flow for the year ended 31 December 2022	i-Tail's separate financial information (Note 3.1) Thousand THB	Pro forma adjustments Thousand THB	Elimination Thousand THB	Pro forma consolidated financial information Thousand THB
Cash flow from operating activities				
Pro forma profit before income taxes	4,315,470	190,670	(56,697)	4,449,443
Adjustments for:				
Depreciation and amortisation expenses	570,657	-	-	570,657
Allowance for loss impairment on trade receivables	-	18,733	-	18,733
Allowance for diminution in value of inventories	(32,444)	18,778	-	(13,666)
Employee benefit obligations	46,714	-	-	46,714
Gain on disposals and write-offs of property, plant and equipment, net	763	-	-	763
Fair value adjustments to derivatives	30,852	-	-	30,852
Gain on exchange rates	118,932	(33,600)	(27,835)	57,497
Gain from sales of investment in a subsidiary	(65,784)	65,784	-	-
Finance costs	85,912	37,793	-	123,705
Interest income	(45,167)	-	-	(45,167)
Profit (Loss) before income tax after adjustments	5,025,905	298,158	(84,532)	5,239,531
Changes in operating assets and liabilities				
- (Increase) decrease in trade and other receivables	(2,207,679)	1,728,585	(943,568)	(1,422,662)
- (Increase) decrease in inventories	(971,172)	(35,012)	61,573	(944,611)
- Increase in other current assets	(149,236)	-	-	(149,236)
- Increase in other non-current assets	(22,849)	-	-	(22,849)
- Increase (decrease) in trade and other payables	218,955	(608,133)	948,975	559,797
- Increase in other current liabilities	20,186	-	-	20,186
- Increase in other non-current liabilities	5,021	-	-	5,021
- Cash paid for employee benefit obligations	(30,959)	-	-	(30,959)
Cash flows receipts from (payments for) operations	1,888,172	1,383,598	(17,552)	3,254,218
- Income tax paid	(15,800)	(46,989)	-	(62,789)
Net cash receipts from (payments for) operating activities	**1,872,372**	**1,336,609**	**(17,552)**	**3,191,429**
Cash flows from investing activities				
Purchases of property, plant and equipment	(1,171,593)	-	-	(1,171,593)
Purchases of intangible assets	(24,581)	-	-	(24,581)
Cash payment for payable balance from investment in a subsidiary	(167,965)	167,965	-	-
Net cash receipts from (payments for) short-term loans to related parties	(141,945)	-	697,652	555,707
Cash payments for long-term loans to a subsidiary	(100,020)	-	100,020	-
Cash payment for payable balance from business combination under common control	(2,149,850)	2,149,850	-	-
Cash payment for investment in debt instruments	(737,777)	-	-	(737,777)
Proceeds from the disposal of property, plant and equipment	8,806	-	-	8,806
Proceeds from the sale of investment in a subsidiary	351,376	(351,376)	-	-
Interest received	27,304	-	-	27,304
Net cash receipts from (payments for) investing activities	**(4,106,245)**	**1,966,439**	**797,672**	**(1,342,134)**
Cash flows from financing activities				
Net cash receipts for short-term loans from a related party	-	676,946	(676,946)	-
Repayments for long-term loans from the parent company	-	(2,196,313)	(103,174)	(2,299,487)
Cash payments for lease liabilities	(14,268)	-	-	(14,268)
Interest paid	(57,963)	(24,731)	-	(82,694)
Other finance costs paid	(26,468)	-	-	(26,468)
Cash received from issuance of common stock to the Parent	2,040,000	-	-	2,040,000
Cash received from public offering net with cost of issuing shares	18,754,890	-	-	18,754,890
Dividends paid to the owners of the parent	(7,670,434)	-	-	(7,670,434)
Net cash receipts from (payments for) financing activities	**13,025,757**	**(2,221,044)**	**(103,174)**	**10,701,539**
Net increase in pro forma cash and cash equivalents	**10,791,884**	**1,082,004**	**676,946**	**12,550,834**
Pro forma cash and cash equivalents - opening balance	1,840	700,805	-	702,645
Exchange gain (loss) on cash and cash equivalents	154	100	-	254
Pro forma cash and cash equivalents - closing balance	**10,793,878**	**1,782,909**	**676,946**	**13,253,733**

i-Tail Corporation Public Company Limited
Explanatory Notes to Pro Forma Consolidated Financial Information
For the year ended 31 December 2022

Pro forma consolidated statement of financial position as at 31 December 2021	i-Tail's separate financial statements Thousand Baht	Pro forma adjustments Thousand Baht	Elimination Thousand Baht	Pro forma consolidated financial information Thousand Baht
Current assets				
Cash and cash equivalents	1,840	700,805	-	702,645
Trade and other receivables, net	1,145,609	2,905,853	(1,844,412)	2,207,050
Short-term loans to related party	555,707	-	-	555,707
Inventories, net	2,970,590	564,702	(37,361)	3,497,931
Derivative assets	6,521	-	-	6,521
Other current assets	65,077	-	-	65,077
Assets of disposal groups classified as held-for-sale	285,592	(285,592)	-	-
Non-current assets				
Investments in subsidiaries using the cost method	169,394	(169,394)	-	-
Property, plant and equipment, net	4,171,417	-	-	4,171,417
Right-of-use assets, net	31,731	-	-	31,731
Computer software, net	8,819	-	-	8,819
Derivative assets	1,978	-	-	1,978
Deferred tax assets, net	36,471	-	-	36,471
Other non-current assets	223,147	-	-	223,147
Total assets	**9,673,893**	**3,716,374**	**(1,881,773)**	**11,508,494**
Current liabilities				
Trade and other payables	4,091,295	(659,638)	(1,855,646)	1,576,011
Current portion of long-term loans from parent company	-	2,300,000	-	2,300,000
Current portion of lease liabilities, net	9,629	-	-	9,629
Income tax payable	-	46,989	-	46,989
Derivative liabilities	123,796	-	-	123,796
Other current liabilities	8,111	-	-	8,111
Non-current liabilities				
Lease liabilities, net	22,476	-	-	22,476
Employee benefit obligations	578,299	-	-	578,299
Derivative liabilities	1,925	-	-	1,925
Other non-current liabilities	23,753	-	-	23,753
Total liabilities	**4,859,284**	**1,687,351**	**(1,855,646)**	**4,690,989**
Share capital and premium on share capital	600,000	-	-	600,000
Retained earnings	4,324,263	2,262,242	(37,361)	6,549,144
Surplus arising from the business combination under common control	-	(409,437)	-	(409,437)
Other components of equity	(109,654)	176,218	11,234	77,798
Total equity	**4,814,609**	**2,029,023**	**(26,127)**	**6,817,505**
Total liabilities and equity	**9,673,893**	**3,716,374**	**(1,881,773)**	**11,508,494**

i-Tail Corporation Public Company Limited
Explanatory Notes to Pro Forma Consolidated Financial Information
For the year ended 31 December 2022

Pro forma consolidated statement of comprehensive income for the year ended 31 December 2021	i-Tail's separate financial statements Thousand Baht	Pro forma adjustments Thousand Baht	Elimination Thousand Baht	Pro forma consolidated financial information Thousand Baht
Revenue	6,790,341	11,197,721	(3,459,385)	14,528,677
Cost of sales	(5,760,679)	(8,854,382)	3,442,363	(11,172,698)
Gross profit	**1,029,662**	**2,343,339**	**(17,022)**	**3,355,979**
Dividend income	2,261,543	(2,261,543)	-	-
Other income	97,043	40,935	(17,407)	120,571
Profit before expenses	**3,388,248**	**122,731**	**(34,429)**	**3,476,550**
Selling expenses	(172,254)	(290,978)	-	(463,232)
Administrative expenses	(294,670)	(241,941)	18,303	(518,308)
Other gain (loss), net	142,169	144,684	(1,394)	285,459
Gain (loss) from the disposal of investment in a subsidiary	(76,676)	76,676	-	-
Operating profit	**2,986,817**	**(188,828)**	**(17,520)**	**2,780,469**
Finance costs	(11,453)	(20,320)	-	(31,773)
Profit before income tax	**2,975,364**	**(209,148)**	**(17,520)**	**2,748,696**
Income tax	19,249	(46,989)	-	(27,740)
Pro forma profit for the year	**2,994,613**	**(256,137)**	**(17,520)**	**2,720,956**
Pro forma other comprehensive income (expenses)				
Items that will not be reclassified subsequently to profit or loss				
- Remeasurements gain of employee benefit obligations, net of tax	(50,284)	26,945	-	(23,339)
Items that will be reclassified subsequently to profit or loss				
- Exchange differences from translating financial statements	-	(25,618)	7,650	(17,968)
- Hedging reserve reclassified to profit or loss, net of income tax	146,766	-	-	146,766
- Change in fair value of hedging derivatives, net of income tax	(330,664)	-	-	(330,664)
Pro forma other comprehensive income (expenses) for the year, net of income tax	**(234,182)**	**1,327**	**7,650**	**(225,205)**
Total pro forma comprehensive income for the year	**2,760,431**	**(254,810)**	**(9,870)**	**2,495,751**

i-Tail Corporation Public Company Limited
Explanatory Notes to Pro Forma Consolidated Financial Information
For the year ended 31 December 2022

Pro forma consolidated statement of cash flow for the year ended 31 December 2021	i-Tail's separate financial statements Thousand Baht	Pro forma adjustments Thousand Baht	Elimination Thousand Baht	Pro forma consolidated financial information Thousand Baht
Cash flow from operating activities				
Pro forma profit before income taxes	2,975,364	(209,148)	(17,520)	2,748,696
Adjustments for:				
Depreciation and amortisation expenses	235,781	300,190	-	535,971
Allowance for loss impairment on trade receivables	-	11,074	-	11,074
(Reversal of) allowance for diminution in value of inventories	79,788	(17,742)	-	62,046
Employee benefit obligations	29,797	14,997	-	44,794
Loss on disposals and write-offs of property, plant and equipment	404	-	-	404
Fair value adjustments to derivatives	(3,452)	-	-	(3,452)
Loss on exchange rates	(15,819)	(15,107)	7,650	(23,276)
Loss from sales of investment in a subsidiary	76,676	(76,676)	-	-
Dividend received	(2,261,543)	2,261,543	-	-
Finance costs	11,453	23,447	-	34,900
Interest received	(65)	(451)	-	(516)
Profit (Loss) before income tax after adjustments	1,128,384	2,292,127	(9,870)	3,410,641
Changes in operating assets and liabilities				
- (Increase) decrease in trade and other receivables	174,387	(1,767,184)	1,504,195	(88,602)
- (Increase) decrease in inventories	(1,253,046)	(77,882)	332	(1,330,596)
- (Increase) decrease in other current assets	(36,950)	-	-	(36,950)
- (Increase) decrease in other non-current assets	2,743	11,948	-	14,691
- Increase (decrease) in trade and other payables	885,130	1,041,924	(1,494,657)	432,397
- Increase (decrease) in other current liabilities	1,762	-	-	1,762
- Increase (decrease) in other non-current liabilities	5,048	-	-	5,048
- Cash paid for employee benefit obligations	(15,857)	-	-	(15,857)
Cash flows receipts from operations	891,601	1,500,933	-	2,392,534
- Income tax paid	(12,398)	(16,897)	-	(29,295)
Net cash receipts from operating activities	**879,203**	**1,484,036**	**-**	**2,363,239**
Cash flows from investing activities				
Purchases of property, plant and equipment	(380,904)	(372,873)	-	(753,777)
Purchases of intangible assets	(1,975)	(225)	-	(2,200)
Cash payment for investment in a subsidiary	(1,429)	-	-	(1,429)
Cash payments for short-term loans to related parties	(555,707)	-	-	(555,707)
Cash payment for business combination under common control	(267,785)	267,785	-	-
Cash receipts from the disposal of property, plant and equipment and right-of-use assets	2,529	-	-	2,529
Cash receipts from the sale of investment in a subsidiary	503,326	(503,326)	-	-
Dividend received	2,261,544	(2,261,544)	-	-
Interest received	24	451	-	475
Net cash receipts from (payments for) investing activities	**1,559,623**	**(2,869,732)**	**-**	**(1,310,109)**
Cash flows from financing activities				
Net cash receipts from (payments for) bank overdrafts and short-term loans from financial institutions	(1,159,130)	-	-	(1,159,130)
Cash payments for lease liabilities	(11,938)	-	-	(11,938)
Interest paid	(9,051)	(23,323)	-	(32,374)
Other finance costs paid	(1,444)	-	-	(1,444)
Dividend paid to Company's shareholders	(1,257,170)	-	-	(1,257,170)
Net cash payments for financing activities	**(2,438,733)**	**(23,323)**	**-**	**(2,462,056)**
Net increase (decrease) in pro forma cash and cash equivalents	**93**	**(1,409,019)**	**-**	**(1,408,926)**
Pro forma cash and cash equivalents - opening balance	1,750	2,256,497	-	2,111,573
Exchange gain (loss) on cash and cash equivalents	(3)	1	-	(2)
Pro forma cash and cash equivalents - closing balance	**1,840**	**847,479**	**-**	**702,645**

6 Approval of the Pro Forma Consolidated Financial Information

This Pro Forma Consolidated Financial Information was approved by i-Tail's authorised directors on 15 February 2023.

To Be The World's Leading Pet-Centric Company

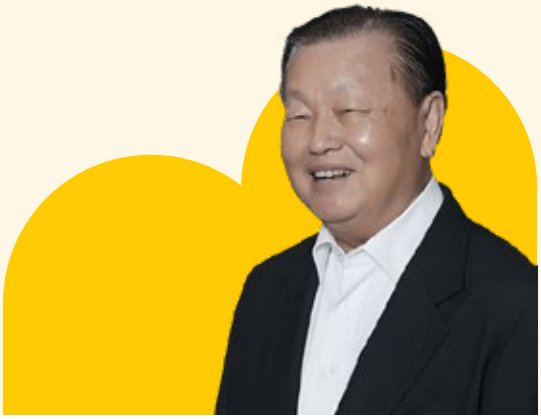
Section

04

Attachment 1

Information and Details of Directors, Executives, People Assigned the Highest Responsibility in Accounting and Finance, and Company Secretary

Board of Directors



Cheng Niruttinanon

Position : Chairman of the Board of Directors
Nationality : Thai
Age : 80 years old

Education :

The Second Middle School of Shantou, People's Republic of China

Date of appointment as director :

August, 6, 2021

Family relationship with directors and executives :

Mr. Nakorn Niruttinanon's father

Shareholdings :

7,822,618 shares
equivalent to 0.26%

- Personal : 5,927,980 shares
- Spouse : 1,894,638 shares
- Minor children: -0-

Positions in other listed companies :

1999 - Present : Chairman of Executive Committee, Thai Union Group PCL
2000 - Present : Executive Director, Thai Union Feedmill PCL

Positions in other organizations :

1987 – Present : Chairman, Asian-Pacific Can Co., Ltd.
1987 – Present : Chairman, T.C. Union Agrotech Co., Ltd.
1989 – Present : Chairman, Asian Pacific Thai Tuna Co., Ltd.
1990 – Present : Chairman, Lucky Union Foods Co., Ltd.
1992 – Present : Chairman, Jana Industry Co., Ltd.
1973 – Present : Executive Director and Senior Managing Director, Thai Union Manufacturing Co., Ltd.
2010 – Present : Executive Director, Oriental Unique Co., Ltd.
2011 – Present : Executive Director, Thai Glycerine Co., Ltd.
2013 – Present : Executive Director, Phil-Union Frozen Foods, Inc. (Philippines)
2019 – Present : Executive Director, Thai Union Ingredients Co., Ltd.
1993 – Present : Director, Waithai Co., Ltd.
1996 – Present : Director, Thai Union North America (USA)
1997 – Present : Director, New Century Printing and Package Co., Ltd.
1997 – Present : Director, Tri-Union Seafoods, LLC (USA)
2007 – Present : Director, Yueh Chyang Canned Food Co., Ltd. (Vietnam)
2008 – Present : Director, Thaipatana Stainless Steel Co., Ltd.
2010 – Present : Director, Thai Union Europe (France)
2010 – Present : Director, Tri-Union Frozen Products, Inc. (USA)
2001 – Present : Managing Partner, Hunhong Kanchang Registered Ordinary Partnership

Positions in other organizations that conflict with the Company :

None

Training/seminar courses related to directorship :

Director Accreditation Program (DAP 187/2021), Thai Institute of Directors Association

Thiraphong Chansiri

Position : Vice Chairman of the Board of Directors
Nationality : Thai
Age : 57 years old

Education :

- Bachelor of Business Administration (Marketing Major), Assumption University, Thailand
- Master of Business Administration (Management), University of San Francisco, USA

Date of appointment as director :

March 18, 1999

Family relationships with directors and executives : None

Shareholdings :

18,425,073 Shares
equivalent to 0.61%

- Personal: 15,300,807 shares
- Spouse: 3,124,266 shares
- Minor children: -0-

Positions in other listed companies :

1990 – Present : Vice Chairman of the Board of Directors / Executive Director / Member of Executive Committee / Member of Risk Management Committee / Chairman of Sustainable Development Committee / Chief of Executive Officer, Thai Union Group PCL
2000 – Present : Executive Director, Thai Union Feedmill PCL
2014 – Present : Director and Member of Remuneration Committee, Minor International PCL
2021 – Present : Director and Member of Corporate Governance Nomination Committee, SCG Packaging PCL.

Positions in other organizations :

1995 – Present : President, Thai Union Graphic Co., Ltd.
1996 – Present : President, Thai Union North America (USA)
2010 – Present : President, Thai Union Europe (France)
1996 – Present : President, Thai Union Seafood Co., Ltd.
2016 – Present : President, Tai Wan Zhong Aquatic Trading (China) Co., Ltd. (China)
1989 – Present : Executive Director, Thai Union Manufacturing Co., Ltd.
2012 – Present : Executive Director, Pakfood PCL (Including 4 Companies)
2016 – Present : Executive Director, Thai Union Investments North America LLC (USA)
2016 – Present : Executive Director, Pracharat Raksamakkee Samutsakorn (Social Enterprise) Co., Ltd.
2017 – Present : Executive Director, Thai Union Asia Investment Holding Co., Ltd. (Hong Kong)
2019 – Present : Executive Director, Thai Union Ingredients Co., Ltd.
2020 – Present : Executive Director, Food and Beverage United Co., Ltd.
2021 – Present : Executive Director, Interpharma-Zeavita Co., Ltd.
2021 – Present : Executive Director, Thai Union Lifescience Co., Ltd.
2021 – Present : Executive Director, Beam Data Co., Ltd.
1984 – Present : Director, Penven (Thailand) Co., Ltd.
1988 – Present ; Director, Chansiri Real Estate Co., Ltd.
1988 – Present : Director, Thai Union Properties Co., Ltd.
1993 – Present : Director, Asian-Pacific Can Co., Ltd.
1993 – Present : Director, Lucky Union Foods Co., Ltd.
1993 – Present : Director, Waithai Co., Ltd.
1997 – Present : Director, Tri-Union Seafoods, LLC (USA)
2000 – Present : Director, Biz Dimension Co., Ltd.
2009 – Present : Director, TN Fine Chemicals Co., Ltd.
2010 – Present : Director, Tri-Union Frozen Products, Inc. (USA)
2014 – Present : Director, Thai Union High-Tech Pearl Cultivation Co., Ltd.
2016 – Present : Director, Red Lobster Master Holdings L.P. (USA)
2017 – Present : Director, Thai Union Property Development Co., Ltd.
2017 – Present : Director, Thoon Thanasiri Co., Ltd. (Including 7 Companies)
2019 – Present : Director, Thai Union Eaglewood Development Co., Ltd.

Positions in other organizations that conflict with the Company : None

Training/seminar courses related to directorship :

Director Certification Program (DCP 10/2001), Thai Institute of Directors Association

Shue Chung Chan

Position : Director
Nationality : Chinese
Age : 47 years old

Education :

- Bachelor of Construction Engineering and Management, Oregon State University, USA
- Master of Business Administration, Bangkok University, Thailand

Date of appointment as director :

August 13, 2021

Family relationships with directors and executives :

None

Shareholdings :

451,358 Shares
equivalent to 0.02%

- Personal: 451,358 shares
- Spouse: -0-
- Minor children (two persons) : -0-

Positions in other listed companies :

2001 – Present : Executive Director, Member of Risk Management Committee, Member of Sustainability Development Committee, Thai Union Group PCL
2002 – Present : Executive Director, Thai Union Feedmill PCL

Positions in other organizations :

2014 - Present : Executive Director, Thai Union Graphic Co., Ltd.
2018 – Present : Executive Director, EHS Training and Services Co., Ltd.
2020 – Present : Executive Director, Thai Union South East Asia Pte. Ltd. (Singapore)
2021 – Present : Executive Director, Thai Union Lifescience Co., Ltd.
2015 – Present : Director, Thai Union Seafood Co., Ltd.
2017 – Present : Director, Thoon Thanasiri Co., Ltd.
2018 – Present : Director, Biz Dimension Co., Ltd.
2018 – Present : Director, Thoon Thanasiri (Songkhla) Co., Ltd.
2021 - Present : Director, Thai Union Manufacturing Co., Ltd.
2022 - Present : Director, Star Union Packaging Co., Ltd.

Positions in other organizations that conflict with the Company :

None

Training/seminar courses related to directorship :

Director Certification Program (DCP 16/2002), Thai Institute of Directors Association
Executive Development Program (EDP 1/2009), Thai Listed Companies Association
Ethical Leadership Program (ELP 6/2016), Thai Institute of Directors Association & Thai CAC

Thawee Tangchansiri

Position : Director
Nationality : Thai
Age : 47 years old

Education :

- Bachelor of Economics Program, Thammasat University, Thailand
- Master of Economics, University of Colorado Denver, USA

Date of appointment as director :

January 19, 2011

Family relationships with directors and executives :

None

Shareholdings :

395,000 shares
equivalent to 0.01%

- Personal : 313,000 shares
- Spouse : 82,000 shares
- Minor children (two persons) : -0-

Positions in other listed companies :

None

Positions in other organizations :

2019 – Present : Director / General Manager, Thai Union Manufacturing Co., Ltd.
2012 – Present : Director, Thai Union Seafood Co., Ltd.

Positions in other organizations that conflict with the Company :

None

Training/seminar courses related to directorship :

Director Accreditation Program (DAP 188/2021), Thai Institute of Directors Association

Pichitchai Wongpiya

Positions : Director
Chairman of the Executive Committee
Member of the Risk Management Committee
Chief Executive Officer
Nationality : Thai
Age : 57 years old

Education :

- Bachelor of Economics Program, Thammasat University, Thailand
- Master of Business Administration, University of Hartford, USA

Date of appointment as director :

August 13, 2021

Family relationships with directors and executives :

None

Shareholdings :

111,716 shares
equivalent to 0.00%

- Personal: 100,000 shares
- Spouse: 11,716 shares
- Minor children: -0-

Positions in other listed companies :

None

Positions in other organizations :

2010 – Present : Director, U.S. Pet Nutrition LLC
2021 – Present : Director, Japan Pet Nutrition Co., Ltd. (Japan)
2021 – Present : Director, i-Tail Americas, Inc. (USA)

Positions in other organizations that conflict with the Company :

None

Training/seminar courses related to directorship :

Director Accreditation Program (DAP 188/2021), Thai Institute of Directors Association

Chaiwat Charoenrujitanon

Positions : Director
Member of the Executive Committee
Member of the Risk Management Committee
Chief Financial Officer
Nationality : Thai
Age : 53 years old

Education :

- Bachelor of Business Administration (Finance), Thammasat University, Thailand
- Bachelor of Accountancy Program, Sukothai Thammathirat Open University, Thailand
- Master of Development Economics, National Institute of Development Administration, Thailand
- Master of Commerce (Accounting & Finance), Macquarie University, Australia
- Postgraduate diploma of advanced studies in International Management, Lucerne University of Applied Sciences and Arts, Switzerland
(Joint study program of Doctor of Business Administration, Silpakorn University)

Date of appointment as director :

November 4, 2015

Family relationships with directors and executives :

None

Shareholdings :

83,400 shares
equivalent to 0.00%

- Personal: 83,400 shares
- Spouse: -0-
- Minor children: -0-

Positions in other listed companies :

None

Positions in other organizations :

None

Positions in other organizations that conflict with the Company :

None

Training/seminar courses related to directorship :

Director Accreditation Program (DAP 188/2021), Thai Institute of Directors Association

Nakorn Niruttinanon

Positions : Director
Member of the Executive Committee
Member of the Risk Management Committee
Chief Operating Officer
Nationality : Thai
Age : 51 years old

Education :

- Bachelor of Engineering (Industrial Engineering), Kasetsart University, Thailand
- Master of Science in Industrial Engineering, University of Missouri, Columbia, USA

Date of appointment as director :

June 21, 2022

Family relationships with directors and executives :

Mr. Cheng Niruttinanon's son

Shareholdings :

880,489 shares
equivalent to 0.03%
- Personal : 857,301 shares
- Spouse : 23,188 shares
- Minor children (one person) : -0-

Positions in other listed companies :

2022 – Present : Director, Thai Union Group PCL

Positions in other organizations :

2006 – Present : Executive Director, Thai Union Manufacturing Co., Ltd.
2008 – Present : Executive Director, Thaipatana Stainless Steel Co., Ltd.
2009 – Present : Executive Director, Asian-Pacific Can Co., Ltd.
2010 – Present : Executive Director, Factory Storage Service Co., Ltd.
2018 – Present : Executive Director, Serenity Capital Co., Ltd.
2019 – Present : Executive Director, Thai Union Ingredients Co., Ltd.
1993 – Present : Director, Waithai Co., Ltd.
2008 – Present : Director, Yueh Chyang Canned Food Co., Ltd. (Vietnam)
2011 – Present : Director, Marine Triumph Co., Ltd.
2014 – Present : Director, Sandy Bay Seafoods (India)
2015 – Present : Director, Nakra Ville Co., Ltd.
2016 – Present : Director, The Nakara Co., Ltd.
2018 – Present : Director, Beluga Restaurant & Bakery Co., Ltd.
2019 – Present : Director, Premium Wood Export Co., Ltd.
2022 – Present : Director, Pacific TUM Cold Storage Co., Ltd.

Positions in other organizations that conflict with the Company :

None

Training/seminar courses related to directorship :

Director Accreditation Program (DAP 194/2022), Thai Institute of Directors Association

Prof. Emeritus Teerachai Chantarojsiri

Positions : Independent Director
Chairman of the Audit Committee
Nationality : Thai
Age : 72 years old

Education :

- Bachelorof Clinical Science (Pediatrics), Mahidol University, Thailand
- Certificate in Anesthesiology and Critical Care Medicine (Pediatrics), The Johns Hopkins University School of Medicine, USA

Date of appointment as director :

January 24, 2022

Family relationships with directors and executives :

None

Shareholdings :

100,000 shares
equivalent to 0.00%
- Personal: 100,000 shares
- Spouse: -0-
- Minor children: -0-

Positions in other listed companies :

2018 – Present : Chairman of the Board of Directors and Chairman of the Audit Committee, Bangkok Dec-Con PCL

Positions in other organizations :

1981 – Present : Director, Bhumirajanagarindra Kidney Institute Hospital
2022 – Present : Director, Professional Genome Company Limited

Positions in other organizations that conflict with the Company :

None

Training/seminar courses related to directorship :

Director Accreditation Program (DAP 147/2018), Thai Institute of Directors Association

Anchalee Bunsongsikul

Positions : Independent Director
Member of the Audit Committee
Chairwoman of the Risk Management Committee
Nationality : Thai
Age : 52 years old

Education :

- Bachelor of Business Administration, Chulalongkorn University, Thailand
- Master of Science in Finance, Saint Louis University, USA

Date of appointment as director :

January 24, 2022

Family relationships with directors and executives :

None

Shareholdings :

None
equivalent to 0.00%

- Personal: -0-
- Spouse: -0-
- Minor children: -0-

Positions in other listed companies :

2017 – Present : Managing Director, Standard Chartered Bank (Thai) PCL
2019 – Present : Independent Director and Member of the Audit Committee, Proud Real Estate PCL

Positions in other organizations :

None

Positions in other organizations that conflict with the Company :

None

Training/seminar courses related to directorship :

Director Accreditation Program (DAP 163/2019), Thai Institute of Directors Association

Sawita Suwansawat

Positions : Independent Director
Member of the Audit Committee
Member of the Risk Management Committee
Nationality : Thai
Age : 39 years old

Education :

- Bachelor of Laws, Thammasat University, Thailand
- Master of International Trade Law, Essex University, United Kingdom
- Master of Public and Private Management, National Institute of Development Administration, Thailand

Date of appointment as director :

January 24, 2022

Family relationships with directors and executives :

None

Shareholdings :

100,000 shares
equivalent to 0.00%

- Personal: 100,000 shares
- Spouse: -0-
- Minor children(one person): -0-

Positions in other listed companies :

None

Positions in other organizations :

2019 – Present : Founder and Chief Executive Officer, MSC International Law Office Co., Ltd.
2020 – Present : Director, MSC Holding Co., Ltd.
2020 – Present : Director, Ramsia 2020 Co., Ltd.
2020 – Present : Director, Do Day One Co., Ltd.
2020 – Present : Director, Spideration Co., Ltd.
2021 – Present : Director, Clean & Go Co., Ltd.
2022 – Present : Director, MSC Auction Co., Ltd.

Positions in other organizations that conflict with the Company :

None

Training/seminar courses related to directorship :

Director Accreditation Program (DAP 168/2020), Thai Institute of Directors Association
Director Certification Program (DCP 292/2020), Thai Institute of Directors Association

Kaweewut Temphuwapat

Positions : Independent Director
Member of the Risk Management Committee
Nationality : Thai
Age : 38 years old

Education :

- Bachelor of Engineering, Chulalongkorn University, Thailand
- Master of Business Administration, Stanford Graduate School of Business and Stanford Design School, USA

Date of appointment as director :

January 24, 2022

Family relationships with directors and executives :

None

Shareholdings :

30,000 shares
equivalent to 0.00%

- Personal: 30,000 shares
- Spouse: -0-
- Minor children (two persons): -0-

Positions in other listed companies :

None

Positions in other organizations :

2022 – Present : Chief Executive Officer, AISCB Co., Ltd.
2016 – Present : Founder of 8 ½ Media
2015 – Present : Director, Dream & Deadline Co., Ltd.

Positions in other organizations that conflict with the Company :

None

Training/seminar courses related to directorship :

Director Accreditation Program (DAP 192/2022), Thai Institute of Directors Association

Top Executives

01

Pichitchai Wongpiya
Chief Executive Officer (CEO)

02

Chaiwat Charoenrujitanon
Chief Financial Officer (CFO)

03

Nakorn Niruttinanon
Chief Operating Officer (COO)

04

Pornchai Tatiyachaitaweesuk
Acting Chief Commercial Officer
(Acting CCO)

Top Executives

05
Paotep Premchai
Vice President (Innovation)

06
Siriporn Nareevandee
General Manager
Songkhla Plant

07
Supavadee Sittijumlearnkhun
General Manager
Samut Sakhon Plant

08
Pramote Khwan-on
General Manager
(Engineering)

09
Jatuporn Wahnchid
General Manager
(Quality)

10
Untakorn Premchai
Senior Manager
(Accounting
& Finance)
11
Weerawit
Keeratikulset
Director
(Accounting & Finance)
12
Chutinun
Pongprayone
Director
(Strategic Business)
13
Jacques Boshoff
Director
(Business
Development)
14
Champ Wangnitayasuk
Vice President of Sales and Marketing /
Head of USPN

Details of the Top Executives in addition to the Executive Directors

Name	Position	Age (Years old)	Share holding %	Education	Work Experience (past 5 years) Before Current Position
Pornchai Tatiyachaitaweesuk ITC shareholding : 70,000 Shares	Executive Director and Acting Chief Commercial Officer	49	0.00	• Bachelor of Business Administration, Assumption University • Master of Commerce, University of Western Sydney	• 2022 - Present : Executive Director and Acting Chief Commercial Officer/ITC • 2022 - Present : Director/ITA • 2022 - Present : Director/USPN • 2021 - Present : Director/JPN • 2019 - 2021 : Senior Vice President - Commercial/TUM • 2018 - 2019 : Commercial Director/Cargill Meat
Paotep Premchai ITC shareholding : 50,000 Shares	Vice President - Innovation	48	0.00	Bachelor of Agro-Industry, Prince of Songkla University	• 2022 - Present : Vice President - Innovation/ITC • 2021 - 2022 : Assistant General Manager/ITC • 2017 - 2020 : Senior Manager/ITC
Supavadee Sittijumlearnkhun ITC shareholding : 52,000 Shares	General Manager (Samut Sakhon Plant)	51	0.00	Bachelor of Science (Fishery Products), Kasetsart University	• 2022 - Present : General Manager - Operation (Samut Sakhon Plant)/ITC • 2016 - 2021 : Plant Manager/TUM
Siriporn Nareevandee ITC shareholding : 100,472 Shares	General Manager (Songkhla Plant)	59	0.00	Bachelor of Food, Science and Technology, Chiang Mai University	• 2018 - Present : General Manager - Operation (Songkhla Plant)/ITC • 2016 - 2017 : Deputy General Manager/ITC

Name	Position	Age (Years old)	Share holding %	Education	Work Experience (past 5 years) Before Current Position
Pramote Khwan-on ITC shareholding : 70,000 Shares	General Manager Engineering	57	0.00	Bachelor of Mechanical engineering, Prince of Songkla University	• 2022 - Present : General Manager - Engineer/ITC • 2017 - 2021 : Senior Plant Engineering Manager/TUM
Jatuporn Wahnchid ITC shareholding : -0-	General Manager - Quality Management	47	-	• Bachelor of Science and Chemistry, University of New England • Master of Business Administration, National Institute of Development Administration	• 2022 - Present : General Manager - Quality Management/ ITC • 2018 - 2021 : Supply Quality Lead Manager/ MARS Petcare • 2015 - 2018 : Region Quality Safety and Environment Manager /Coca-Cola
Weerawit Keeratikulset ITC shareholding : 40,000 Shares	Director of Accounting and Finance	37	0.00	• Bachelor of Accounting, Thammasat University • Master of Accounting, Thammasat University	• 2022 – Present : Director of Accounting and Finance/ITC • 2020 – 2021 : Senior Financial Controller/TUM • 2015 – 2019 : Financial Controller/TUM
Untakorn Premchai ITC shareholding : 50,000 Shares	Senior Accounting Manager	50	0.00	• Bachelor of Accounting, Thammasat University • Master of Accounting, Chulalongkorn University	• 2020 - Present : Senior Accounting Manager/ITC • 2008 - 2020 : Accounting Manager/ ITC

Note : The number of shares held and the shareholding percentage as of 31 December 2022 of 3,000,000,000 total shares include shares held by spouses and minor children.

Detail of the person assigned with direct responsibility of accounting

Untakorn Premchai

Position : Senior Accounting Manager
Nationality : Thai
Age : 50 years old
Education : - Bachelor of Accounting from Thammasat University
- Master of Accounting from Chulalongkorn University

Certified Public Accountant (Thailand) : No. 5547
Related trainings : Training Continuing Professional Development (CPD) every year as required by the Regulation of Federation of Accounting Professional
Shareholding including shares held by spouses and minor children : 50,000 shares
(as of December 31, 2022)

Information of the Company Secretary and Head of Compliance

Napapat Angkunboonyachoke

Position : Company Secretary
Compliance and Internal Control Manager
Nationality : Thai
Age : 34 years old
Date of appointment : December 17, 2021
Education : - Bachelor of Accounting from Chulalongkorn University
- Master of Business Administration from Chulalongkorn University
Other related trainings :
Company Secretary Program (CSP) (125/2022), Thai Institute of Directors Association

Working Experience (past 5 years) :
- 2021 – Present Company Secretary / Compliance and Internal Control Manager, i-Tail Corporation PCL
- 2019- 2021 Financial Controller, Thai Union Manufacturing Co., Ltd.
- 2016 – 2019 Assistant Financial Controller, Thai Union Manufacturing Co., Ltd.

Shareholding including shares held by spouses and minor children : 20,000 shares
(as of December 31, 2022)
Relationships with management : None

Roles and Responsibilities of the Company Secretary

1. Have basic knowledge of business, accounting, laws, regulations of regulatory agencies related to the law on public limited companies, and rules / regulations of listed company.
2. Have knowledge and understanding of good corporate governance principles and good practice on corporate governance.
3. Understand the roles and duties of the Company Secretary through training courses related to the duties of the Company Secretary.

Responsibilities of the Company Secretary

To comply with the good corporate governance principles, the Board of Directors of i-Tail Corporation PCL has passed a resolution in favor of the appointment of the Company Secretary to assist the board members in achieving more appropriate, efficient, and transparent business management. For this purpose, the Board of Directors has outlined the roles and responsibilities of Company Secretary as set forth below:

1. Responsibilities for the Shareholders' Meetings

• Oversee and ensure punctual delivery of the meeting invitations, meeting agendas, documentation pertaining to the annual report and financial statements to the shareholders within the period prescribed by the laws.

• Handle arrangements and coordination functions to facilitate successful meeting organization.

• Consider the validity of submitted proxy forms. Valid proxy forms must contain a shareholder's signature, number of shares owned, the proxy's name, and intended meeting sessions.

• Consider the significance of meeting agendas and judge whether it is necessary for shareholders to cast their votes on case-by-case basis, for example, the appointment of the company directors.

• Take necessary actions to provide shareholders with ample opportunity to propose names of director candidates and submit meeting agendas.

• Prepare minutes of the meetings and keep them in safe place in chronological order and on continuous basis.

2. Responsibilities for the Board of Directors' Meetings

• Oversee and ensure the advanced delivery of the meeting invitations, meeting agendas, and documentation pertaining to the meetings within appropriate time to allow directors adequate and thorough consideration prior to their meeting attendance.

• Coordinate with the concerned departments related to the meeting agendas under consideration to ensure that extensive opinions are given to the directors.

• Prepare meeting sessions and arrange meeting venues as well as ensure a full quorum.

• Prepare minutes of the meeting, submit them to the Board of Directors within the required timeframe and keep them in a safe place in chronological order and on continuous basis.

3. Responsibilities as per the Company's Rules

• Ensure that the Company's rules are in accordance with the Company's objectives and prepare necessary information to facilitate the Board of Director's decisions.

• Oversee and retain important corporate documentations as well as control access to the source of confidential information.

• Oversee and regularly update information on corporate registration, such as shareholder registration and major shareholder registration.

• Coordinate with the Company's registrar following any corporate registration changes.

4. Responsibilities for Good Corporate Governance

• Report and disclose corporate information to shareholders and concerned parties through adherence to the rules, notifications, and regulations pronounced and enforced by the Stock Exchange of Thailand and the Securities and Exchange Commission.

• Create good corporate governance policies and guidelines.

• Coordinate with governmental bodies/agencies.

5. Responsibilities for the Company's annual report

Prepare the annual report through the disclosure of material information in compliance with relevant laws and regulations to distribute to shareholders during the Annual General Meeting of Shareholders. The annual report must contain complete and correct corporate information.

6. Responsibilities for the Board of Directors

• Suggest guidelines related to the rules/regulations of listed company, the Articles of Association, and corporate governance to the Board of Directors.

• Supply a manual for new directors.

• In charge of reporting of conflicts of interest and keep the reports.

7. Provide an evaluation of the Board's performance and submit the assessment to the Board of Directors.

Details of the directors and management who join as executives and have controlling powers of subsidiaries, associates, and joint ventures

Company	Cheng Niruttinanon	Thiraphong Chansiri	Shue Chung Chan	Thawee Tangchansiri	Pichitchai Wongpiya	Chaiwat Charoenrujitanon	Nakorn Niruttinanon	Prof. Emeritus Teerachai Chantarojsiri	Kaweewut Temphuwapat	Sawita Suwansawat	Anchalee Bunsongsikul	Pornchai Tatiyachaitaweesuk	Paotep Premchai	Supavadee Sittijumlearnkhun	Siriporn Nareevandee	Pramote Khwan-on	Jatuporn Wahnchid	Untakorn Premchai	Weerawit Keeratikulset
1. The Company (i-Tail)	X	/	/	/	/,//	/,//	/,//	/,///, IV	/,///	/,///, V	/,///, V	//	//	//	//	//	//	//	//
2. i-Tail Americas, Inc. (USA)					/							/							
3. US Pet Nutrition, LLC (USA)					/							/							
4. Japan Pet Nutrition Co., Ltd. (Japan)					/							/							
5. Thai Union Manufacturing Co., Ltd.	/,//	/,//	/	/,//			/,//												
6. Thai Union Group PCL	/,//	/,//					/												
7. Thai Union Seafood Co., Ltd.		/,//	/	/															
8. Thai Union Feedmill Co., Ltd.	/,//	/,//	/,//																
9. Thoon Thanasiri Co., Ltd.		/	/																
10. Thoon Thanasiri (Songkhla) Co., Ltd		/	/																
11. Biz Dimension Co., Ltd.		/,//	/,//																
12. Lucky Union Foods Co., Ltd.	X	/																	
13. Asian Pacific Can Co., Ltd.	X	/					/,//												
14. Thai Union Graphics Co., Ltd.		/,//	/,//																
15. Thai Union Ingredients Co., Ltd.	/,//	/,//					/,//												
16. Waithai Co., Ltd.	/	/					/												
17. Clean & Go Co., Ltd.										/									
18. Jana Fish Industries Co., Ltd.	X																		
19. Chansiri Real Estate Co., Ltd.		/																	
20. Dream & Deadline Co., Ltd.									/										
21. Do Day One Co., Ltd.										/									
22. T.C. Union Agrotech Co., Ltd.	X																		
23. TN Fine Chemicals Co., Ltd.		/					/												
24. Thoon Thanasiri (Chonburi) Co., Ltd		/																	
25. Thoon Thanasiri (Pathum Thani) Co., Ltd.		/																	
26. Thoon Thanasiri (Rayong) Co., Ltd.		/																	
27. Thoon Thanasiri (Samut Prakan) Co., Ltd.		/																	

Company	Cheng Niruttinanon	Thiraphong Chansiri	Shue Chung Chan	Thawee Tangchansiri	Pichitchai Wongpiya	Chaiwat Charoenrujitanon	Nakorn Niruttinanon	Prof. Emeritus Teerachai Chantarojsiri	Kaweewut Temphuwapat	Sawita Suwansawat	Anchalee Bunsongsikul	Pornchai Tatiyachaitaweesuk	Paotep Premchai	Supavadee Sittijumlearnkhun	Siriporn Nareevandee	Pramote Khwan-on	Jatuporn Wahnchid	Untakorn Premchai	Weerawit Keeratikulset
28. Thoon Thanasiri (Ayutthaya) Co., Ltd.		/																	
29. New Century Printing & Packaging Co., Ltd.	/																		
30. Bangkok Dec-Con PCL								X,IV											
31. Beam Data Co., Ltd.		/																	
32. Pracharath Rak Samakkee Samut Prakan (Social Enterprise) Co., Ltd.		/, //																	
33. Proud Real Estate PCL											///,V								
34. Food and Beverage United Co., Ltd.		/, //																	
35. Spideration Co., Ltd.										/									
36. Interpharma-Zeavita Co., Ltd.		/,//																	
37. EHS Training and Services Co., Ltd.			/, //																
38. Hunhong Kanchang Registered Ordinary Partnership	/																		
39. Penven (Thailand) Co., Ltd.		/																	
40. SCG Packaging PCL		/																	
41. AISCB Co., Ltd.									//										
42. MSC International Law Office Co., Ltd.										/, //									
43. MSC Auction Co., Ltd.										/									
44. MSC Holding Co., Ltd.										/									
45. Pakfood PCL		/,//																	
46. Ramsia 2020 Co., Ltd.										/									
47. Okeanos Food Co., Ltd.		/,//																	
48. Oriental Unique Co., Ltd.	/,//																		
49. Thai Glycerine Co., Ltd.	/,//																		
50. Thaipatana Stainless Steel Co., Ltd.	/						/,//												
51. Thai Union Property Development Co., Ltd.		/																	

Company	Cheng Niruttinanon	Thiraphong Chansiri	Shue Chung Chan	Thawee Tangchansiri	Pichitchai Wongpiya	Chaiwat Charoenrujitanon	Nakorn Niruttinanon	Prof. Emeritus Teerachai Chantarojsiri	Kaweewut Temphuwapat	Sawita Suwansawat	Anchalee Bunsongsikul	Pornchai Tatiyachaitaweesuk	Paotep Premchai	Supavadee Sittijumlearnkhun	Siriporn Nareevandee	Pramote Khwan-on	Jatuporn Wahnchid	Untakorn Premchai	Weerawit Keeratikulset
52. Thai Union Lifescience Co., Ltd.		/	/,//																
53. Thai Union High-Tech Pearl Cultivation Co., Ltd		/																	
54. Thai Union Properties Co., Ltd.		/																	
55. Thai Union Eaglewood Development Co., Ltd.		/																	
56. Minor International PCL		/																	
57. Phil-Union Frozen Foods, Inc. (Philippines)	/,//																		
58. Thai Union Europe (France)	/	/,//																	
59. Tri-Union Frozen Products, Inc. (USA)	/	/																	
60. Yueh Chyang Canned Food Co., Ltd. (Vietnam)	/						/												
61. Tri-Union Seafoods, LLC (USA)	/	/																	
62. Thai Union North America, Inc. (USA)	/	/,//																	
63. Thai Union South East Asia Pte. Ltd. (Singapore)																			
64. Red Lobster Master Holdings L.P. (USA)		/	/,//																
65. Tai Wan Zhong Aquatic Trading (China) Co., Ltd. (China)		/,//																	
66. Thai Union Investments North America LLC (USA)		/																	
67. Thai Union Asia Investment Holding Limited (Hong Kong)																			
68. Thai Union Investment Holding Co., Ltd. (Mauritius)		/,//																	
69. Serenity Capital Co., Ltd.							/,//												
70. Factory Storage Service Co., Ltd.							/,//												
71. The Nakara Co., Ltd.							/												
72. Beluga Restaurant & Bakery Co., Ltd.							/												

Company	Cheng Niruttinanon	Thiraphong Chansiri	Shue Chung Chan	Thawee Tangchansiri	Pichitchai Wongpiya	Chaiwat Charoenrujitanon	Nakorn Niruttinanon	Prof. Emeritus Teerachai Chantarojsiri	Kaweewut Temphuwapat	Sawita Suwansawat	Anchalee Bunsongsikul	Pornchai Tatiyachaitaweesuk	Paotep Premchai	Supavadee Sittijumlearnkhun	Siriporn Nareevandee	Pramote Khwan-on	Jatuporn Wahnchid	Untakorn Premchai	Weerawit Keeratikulset
73. Pacific TUM Cold Storage Co., Ltd.							/												
74. Nakra Ville Co., Ltd.							/												
75. Premium Wood Export Co., Ltd.							/												
76. Marine Triumph Co., Ltd.							/												
77. Professional Genome Co., Ltd.								/											
78. Sandy Bay Seafoods (India) Pvt. Ltd.							/												

Remarks : X = Chairman, / = Director, // = Executive, /// = Independent Director, IV = Chairman of Audit Committee, V = Member of Audit Committee

Criminal Records of Directors and Executives

In the past five years, the Company had no cases of violation of any rules, regulations and laws such as the regulations of the Securities and Exchange Act, Public Limited Companies Act B.E. 2535, or any other laws such as failure to submit financial statements within a given timeframe. There are no cases of violation of labor laws. In addition, the directors and executives of the Company and its subsidiaries did not violate any rules, regulations, and laws such as the regulations of the Securities and Exchange Act, Public Limited Companies Act B.E. 2535, or any other civil or criminal laws, and did not have any conflicts of interest with the Company through insider trading or commit acts of corruption or misconduct.

Attachment 2

Details of the Directors of the Subsidiaries

Subsidiaries: As of December 31, 2022, there are three subsidiaries.

Subsidiaries / Directors	i-Tail Americas, Inc.	U.S. Pet Nutrition, LLC	Japan Pet Nutrition Co., Ltd.
1. Mr. Pichitchai Wongpiya	/	/	/
2. Mr. Pornchai Tatiyachaitaweesuk	/	/	/
3. Mr. Shue Wing Chan	/	/	-
4. Mr. Takehiko Miura	-	-	/

Attachment 3

Detail of the Head of Internal Audit

Orawan Phunamsarp

Position : Internal Audit Manager
Secretary of the Audit Committee

Nationality : Thai

Age : 41 years old

Appointed : October 24, 2022

Education : Business Administration, majoring in Accounting from Khon Kaen University
Master of Science in Information Technology and Management from Assumption University

Other Related Trainings :
Adopting Data Science & Automation in Internal Audit, Institute of Internal Auditors of Thailand
Personal Data Protection Act for Internal Auditor, Institute of Internal Auditors of Thailand
Internal Audit Modernization, Institute of Internal Auditors of Thailand
Innovative IA: Recalibration for the COVID Environment 2021, Institute of Internal Auditors of Thailand

Working Experience (the past 5 years):
2022 - Present : Head of Internal Audit and Secretary of the Audit Committee, i-Tail Corporation PCL
2018 - 2022 : Head of Internal Audit and Secretary of the Audit Committee, Banpu Power PCL
2015 - 2018 : Internal Audit Manager, Indorama Ventures PCL

Shareholding including shares held by spouses and minor children : None

Relationships with the Management : None

Attachment 4
Assets Used in Business Operations

Business Assets

i-Tail and its subsidiaries employed core business assets as of December 31, 2022 as follows:

• Properties including land, factory buildings, machines, vehicles, and assets under construction or installation used in the Company's business have a net value of THB 4,893.05 million, all of which are owned by the Company.

• The right-of-use assets comprise the Company's right, as a lessee, to use land and land improvements, building and building improvements, and machinery and vehicles, all of which have a net value of THB 41.75 million.

• The Company has land lease agreements with third parties for business operations:

- The Company has two land leases from third parties to use as a production extension at the Songkhla plant for a period of 20 years, expiring on October 14, 2031.
- The Company had land leases from third parties to use as a warehouse at the Songkhla plant, which expired on December 31, 2022. However, those land leases have been extended for a period of 20 years, expiring on December 31, 2042.
- The Company has a land lease from third parties to construct dormitory buildings and parking spaces at the Songkhla plant for a period of 20 years, expiring on February 28, 2030.
- We have a land lease from third parties to use the land for the investment in i-Cattery, the cat food research center in Nakhon Pathom Province, for a period of 10 years, expiring on June 30, 2032.

• Intangible assets include research and development, trademark, right-of-use assets, contracts with clients/distributors, computer programs, as well as patents.

Attachment 5
Corporate Governance Policy and Code of Business Ethics

i-Tail Corporation Public Company Limited (the Company) has defined the corporate governance policy and code of business ethics for the Board of Directors and all executives and employees to use as guiding principles in their work, to help the Company achieve efficient business operations, excellent corporate governance and management, integrity, transparency, and auditability.

Shareholders can look for further details related to the Company's corporate governance policy and code of business ethics at the link below:

https://www.i-tail.com/en/investor-relations/corporate-governance/policies-and-code-of-conduct

LRQA Independent Assurance Statement

Relating to i-Tail Corporation Public Company Limited's 56-1 One Report for the calendar year 2022

This Assurance statement has been prepared for i-Tail Corporation Public Company Limited in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

LRQA (Thailand) Limited was commissioned by i-Tail Corporation Public Company Limited (ITC) to provide independent assurance on its 56-1 One report ("the report") against the AccountAbility's AA1000AS v3 assurance criteria to a moderate level of assurance reference to the GRI specific Standard disclosures listed below [1&2] and materiality level of the professional judgement of the verifier is applied, where the scope was a Type 2 engagement.

Our assurance engagement covered ITC's operations and activities in Thailand only and specifically the following requirements:

- Evaluating the reliability of data and information for only the selected environmental and social indicators listed below:

  Environmental: GRI 303-3 to 5 Water withdrawal, discharge and consumption, GRI 305-1 Direct (scope 1) GHG emissions, GRI 305-2 Energy indirect (scope 2) GHG emissions and GRI 306-3 to 5 Waste generated, diverted from and directed to disposal;

  Social: GRI 403-9 and 10 Work-related injuries and ill health.

Our assurance engagement excluded the data and information of ITC's operations and activities outside Thailand, as well as suppliers, contractors and any third parties mentioned in the report.

LRQA's responsibility is only to ITC. LRQA disclaims any liability or responsibility to others as explained in the end footnote. ITCs' responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of ITC.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that ITC has not, in all material respects:

- Met the requirements above
- Disclosed reliable performance data and information as no errors or omissions were detected

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a moderate level of assurance engagement is less than for a moderate level of assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a moderate assurance engagement is substantially lower than the assurance that would have been obtained had a moderate assurance engagement been performed.

LRQA's approach

LRQA's assurance engagements are carried out using AA1000AS v3. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing ITC's data management systems to confirm that there were no significant errors, material misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions, and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Sampling of evidence during remote verification at Songkla operations for only the selected indicators to confirm its reliability.

Observations

Further observations and findings, made during the assurance engagement, is:

- Reliability: Data management systems are properly defined. However, we believe that ITC should establish and implement internal verification to improve reliability of the future reports.

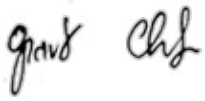
---

[1] https://www.globalreporting.org
[2] GHG quantification is subject to inherent uncertainty.

LRQA's Standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only works undertaken by LRQA for ITC and as such does not compromise our independence or impartiality.



Dated: 3 March 2023

Opart Charuratana
LRQA Lead Verifier

On behalf of LRQA (Thailand) Limited
No.9, G Tower Grand Rama 9, FL. 30, Room H14,
Rama 9 Rd., HuayKwang, Bangkok, 10310

LRQA reference: BGK00000745/B

LRQA Group Limited, its affiliates included LRQA (Thailand) Limited and subsidiaries, including LRQA (Thailand) Limited, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance statement is the only valid version. LRQA Group Limited assumes no responsibility for versions translated into other languages.

This Assurance statement is only valid when published with the Assertion to which it refers. It may only be reproduced in its entirety.

Copyright © LRQA Group Limited, 2023.

Nourishing
One Healthy
Family

i-Tail

i-Tail Corporation Public Company Limited (Head Office)
979/92-94, 29th Floor, S.M. Tower, Phaholyothin Road,
Phayathai Sub-district, Phayathai District, Bangkok 10400
Tel: +66 (0) 2298 0029, 2298 0433 - 9
Fax: +66 (0) 2298 0442

www.i-Tail.com