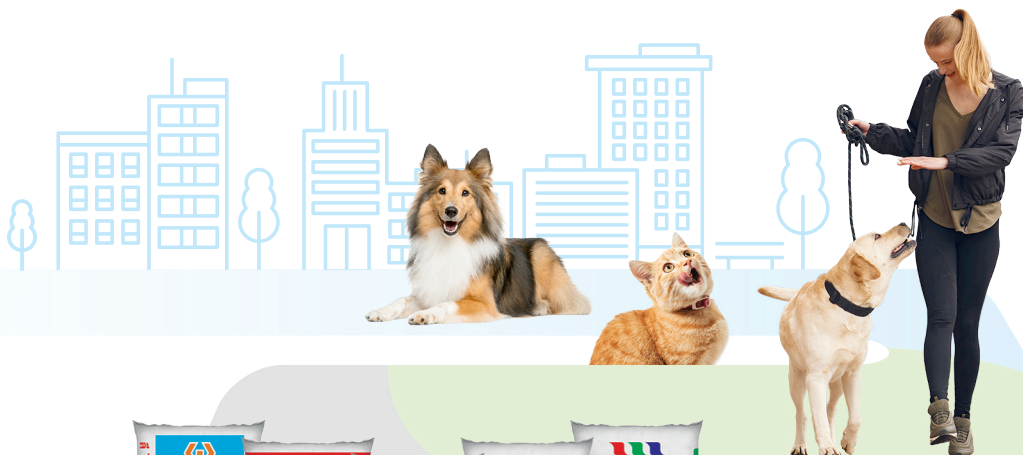




บริษัท ลีพัฒนาผลิตภัณฑ์ จำกัด (มหาชน)
LEE FEED MILL PUBLIC COMPANY LIMITED



ANNUAL REPORT 2021

Form 56-1 One Report

**“Quality and standard
development to achieve
sustainability”**



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The Board of Directors of Lee Feed Mill Public Company Limited



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1. Mr. Visith Leelasithorn

Director and Chairman of
the Board of Directors

2. Mr. Nipon Leelasithorn

Director and Chairman of the
Executive Director and
Managing Director

3. Mr. Karoon Chanmingporn

Director

4. Mrs. Supaporn Chongvilaiwan

Director and Asst. Managing
Director

5. Mr. Somsak Tiensriyuka

Director and Secretary of
the Board of Directors



6

6. Assoc.Prof.Dr.Somjai Phagaphasvivat
Independent Director and Chairman of the
Audit Committee

7

7. Pol.Lt.Gen.Adisorn Nonsee
Independent Director and
Chairman of the Nomination
and Remuneration Committee

8

8. Mrs.Sununta Subhapholsiri
Independent Director and
Member of the Audit Committee

9

9. Mr.Busarin Vanaswas
Independent Director and
Member of the Audit Committee



Message from the Chairman

“

Dear Shareholders,

In 2021, the global economy continues to be adversely affected by the hit of COVID-19 pandemic. Thus, Thailand's economic recovery is likely to take a lengthy time. Amidst fierce competition in the animal feed industry, the Company has invariably been aware that we are an upstream producer of the food chain whose final destination to reach is the end consumers. What we focus on are therefore product research and development, specifically every step starting from the processes of selecting, checking raw material quality, and reflecting international standards. In line with Company's vision stating "We are a leading feed manufacturer with readiness to thrive alongside our trade partners," the Company has strengthened the confidence of all partners towards valuable returns.

Amid the competition in the feed production business in 2021 that has been affected by energy and raw material costs, animal feed is a commodity subject to official price controls, thus its prices were fixed and unable to adjust to keep up with the rising costs of raw materials. However, the Company has put great efforts to reduce other costs while enhancing production efficiency by investing in an automation system using cutting-edge technology in order to minimize costs and boost competitiveness. For the operating results of 2021, the Company obtained a total revenue of 3,788 million baht and a net profit of 135 million baht, or 0.15 baht earnings per share. As of December 31, 2021, the Company has total assets of 3,238 million baht, total liabilities of 447 million baht, and total shareholders' equity of 2,791 million baht. The Board of Directors has resolved to propose to the shareholders' meeting for approval to pay 2021's dividends at the rate of 0.13 baht per share.

In addition, what the Company has always placed importance on is the safety of employees and the preservation of employment, work optimization with optimal cost management, as well as CSR projects during the COVID-19 crisis. For example, donating medical equipment and appliances to field hospitals, supporting the government sector in setting up community isolation centers to screen for the COVID-19 infected among those traveling in and out of the areas, etc. Moreover, the Company contributes to the common good by donating some profits generated for the benefit of the society and the country.

On behalf of the Board of Directors, Executives, and employees, I would like to hereby express our appreciation to all shareholders, trading partners, and business alliances in all sectors, including all groups of stakeholders who have always rendered good support and been confident in the Company's operations. The Company shall remain committed to conducting business in accordance with ethical principles and good corporate governance practices to achieve continuous development, stable and sustainable growth along with taking care of society, community, and the environment.

(Mr. Visith Leelasithorn)
Chairman





Vision

“ We are a leading feed manufacturer with readiness to thrive alongside our trade partners. ”

Mission

- Conduct research and development to devise new quality products
- Enhance manufacturing process with deployment of innovation
- Create, consolidate, and expand customer bases
- Respond to customers' requirements and reach their maximum satisfaction



Core Value

“ Be passionate for knowledge, aim at achieving success, and amiably live together in the society. ”



Part 1: Business Operation and Operating Results

1. Organizational structure and operation of the group of companies

1.1 Policy and overall business operations

Lee Feed Mill Public Co., Ltd., (“the Company”) was established on 16 August 1983, with initial registered capital of 20 million baht. The Leelasithorn group is the Company’s major shareholder. The Company was listed on the Stock Exchange of Thailand on 26 January 1990 and became a limited public company on 7 March 1994. Current paid-up registered capital is 922.18 million baht. Its first feed mill was located in Muang District, Nakhon Pathom. Subsequently in 1988 and 1990, a second feed mill and silo were built, both in Muang District, Saraburi, under Lee Pattana Feed Mill Co.,Ltd., and Lee Pattana Silo Co.,Ltd. Both of these are subsidiaries with shares of 95 held by Lee Feed Mill Public Co., Ltd. And in the next four years, the Company expanded its parent stock-chicken farm and chick hatchery for the production of broiler chicks for the market. Investment promotion was also granted to the hatchery, located in Chon Dan District, Phetchabun.

Due to the limited area available for expansion of the first feed mill in Nakhon Pathom, as well as its leased status, the first feed mill was closed in 1996, and investment promotion requested for the new feed mill opened in the same year, in Kao Yoi District, Phetchaburi. In 2002, an aquaculture feed mill was opened on the same land as the feed mill in Kao Yoi, under the name of Lee Feed Mill Public Co., Ltd. And Lee Pattana Feed Mill Company limited Investment promotion was also received. In the past, all four feed mills have a combined production capacity of 396,000 tons of animal feed per annum, with actual production at approximately 45 percent of capacity, and has established the subsidiary company, namely Lee Pattana Agro Silo Co.,Ltd. with a registered and paid up capital of 150 million baht, while the silo’s capacity is 38,500 tons for storage of plant seed throughout the year. The company has invested in Bodhi Ngarm Sea Farms Co.,Ltd in 2012. The objective is the experimental farming for the aquaculture business to support the research and development of aquatic animal feed on the high quality and standards to be sustainable.

Lee Pattana Group (“the Group”) obtained from the Department of Livestock a Certificate of Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Point (HACCP) in the category of animal-feed manufacturing, in order to ensure hygienic products. Our factories received ISO 9001: 2015 certification for the entire system. This reflects our effective selection of raw materials, production processes, quality inspections, and health management, as well as our international-standard product quality and our responsibility to society, since good animal feed means quality and safe food for consumers. The Group has its strong concerns and awareness of environmental protection and its impacts (such as wastewater, dust, and air pollution) on the communities and the society, ISO 50001: 2018 - Energy Management System, helping as well as energy conservation and effective use of resources; and has therefore determined its policy of environmental management system under ISO14001: 2015 for both of its manufacturing plants.



Lee Pattana Group operates its business principal activities are (1) the manufacturer of animal feed (2) crop drying, silo (3) experimental farming and (4) crop farming. Substantially all sales, operating profits and assets are related to the manufacture of animal feed business.

- Lee Feed Mill Public Co., Ltd., the parent company, involved in processing the production and distribution of animal feed for both livestock and aquaculture in concentrated pellet and powder forms, as well as concentrated feed for swine, chickens, ducks, cattle, fish, and shrimp, under the trade mark of "Lee" "Win" "Max" and "Pro-grade". The Company's factory is located in Phetchabun province. The Company also run business in animal farm in Kaengkoy district, Saraburi province, breeding broiler chicks which breeder farm and hatchery chicks are located in Phetchabun province. However, the Company temporary ceased operation since October 1, 2004 due to avian influenza crisis. Currently, In Phetchabun, the Company operates the wooden breeding.
- Lee Pattana Feed Mill Co., Ltd., a subsidiary, conducting a business along the lines of that of the parent company. However, this subsidiary concentrates on feed production for livestock and domestic animals, such as swine, chickens, ducks, cattle under the trademark of "Lee" "Win" "Max" and "Pro-grade", Moreover, the Company produces pet food, "Petto" and "Jato" for dogs and "Mao Mao" for cats. Its mill is located in Saraburi Province.
- Lee Pattana Agro Silo Co., Ltd., a subsidiary, with in silo grain storage and the purchase and sale of animal feed material to associated companies within the intercompany group.
- Bodhi Ngarm Sea Farm Co.,Ltd., a subsidiary, operates its business as a rental farming.
- P A F (2020) Co., Ltd., a subsidiary, operates its business as a distributing pet feed.

Lee Pattana Group structure as of December 31, 2021

Company Name	Nature of business	Paid-up capital (Million Baht)	% Share-holding	Investment Cost (Million Baht)	Investment Value (Million Baht) (Equity method)	Minor shareholders
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Subsidiaries

Lee Pattana Feed Mill Co.,Ltd	Producing and distributing animal feed	200.00	95.0%	190.00	496.60	Leelasithorn family (5%)
Lee Pattana Agro Silo Co.,Ltd	Crop drying	150.00	95.0%	150.00	174.43	Leelasithorn family (5%) (indirectly held by Lee Pattana Feed Mill)
Bodhi Ngarm Sea Farm Co.,Ltd	Rental farming	5.00	100.0%	5.00	7.93	-
P A F (2020) Co.,Ltd	Distributing pet food	25.00	99.5%	20.78	18.88	Leelasithorn family (0.5%)



1.2 Business Operations

Animal-feed mills of the Lee Pattana Group are divided into geographic regions for sales purposes, so as to attain maximum cost efficiency in regard to transportation and distribution costs. The mill in Phetchaburi is in charge of sales for Nakhon Pathom, Ratchaburi, and all provinces in the South from Phetchaburi on down; while the mill in Saraburi handles all sales in the Central, Northern, Northeastern, and Eastern Seaboard regions of Thailand.

Revenue Structure of the Lee Pattana Group (2019 – 2021)

Revenue from Sales	Producer	2019		2020		2021	
		Million Baht	%	Million Baht	%	Million Baht	%
Complete animal feed*	Company and subsidiary	2,602	99.12	2,814	99.23	3,714	99.37
Livestock / crop farming	Company	23	0.88	22	0.77	23	0.61
Total		2,625	100.00	2,836	100.00	3,737	100.00

Remarks : Revenues from sales of complete animal feeds for the year 2021 came from land and aquatic animal feeds at the rate of 51 percent and 49 percent, respectively

1.2.1 Nature of Products and Production Process

Types of Products

The products domestically distributed under the Group's portfolio can be classified by types as follows:

- Ready-mixed animal feeds, both granules and powder, and animal feed concentrates:
 - Animal feeds for swine, poultry, ducks, quails, dairy cattle, etc., distributed under trademarks Lee, Win, Max, and Pro-Grade
 - Aquaculture feeds for fish, shrimps, frogs, etc., distributed under trademarks Lee, Win, Max, and Pro-Grade.
 - Pet food for dogs, distributed under trademarks Petto and Jato; for cats, distributed under trademark Mao Mao; and for fighting cocks, distributed under trademark Naksu.
- Roasted corn and soybean crops distributed as feed ingredients.
- Animal breeds as by-products from the Company's animal farming business. Animal breeds are for the purpose of research on and improvement of quality of Company's animal feeds to ensure they are accepted by livestock farmers in general with no focus on commercial benefits.

Lee Feed Mill Public Company Limited and Lee Pattana Feed Mill Company Limited had a total animal feed production capacity of 396,000 tons per year in 2021 while the actual production (Utilization) was approximately 60% of the combined capacity of the two manufacturing plants.



Patents or Restrictions on Business Operations

Investment promotion certificate of Lee Feed Mill Public Company Limited and its subsidiaries

The Group has been promoted in terms of investment in the production of animal feeds or feed ingredients in a form of machine changeover to enhance production efficiency in accordance with the original investment promotion certificate that the Company had received.

Lee Feed Mill Public Company Limited

- Constructed a manufacturing plant in Phetchaburi Province at a feed production capacity of 216,000 tons/year.

Lee Pattana Feed Mill Company Limited (Subsidiary)

- Constructed a manufacturing plant in Saraburi Province at a feed production capacity of 180,000 tons/year.

Benefits received:

- 1) Exemption of import duty on machinery as approved by the Board of Investment.
- 2) Exemption of corporate income tax on net profits derived from BOI-promoted businesses in the proportion of 100% of investments in automation or robotics. This exemption has a period of 3 years from the date on which income is generated after receiving the certificate of promotion.

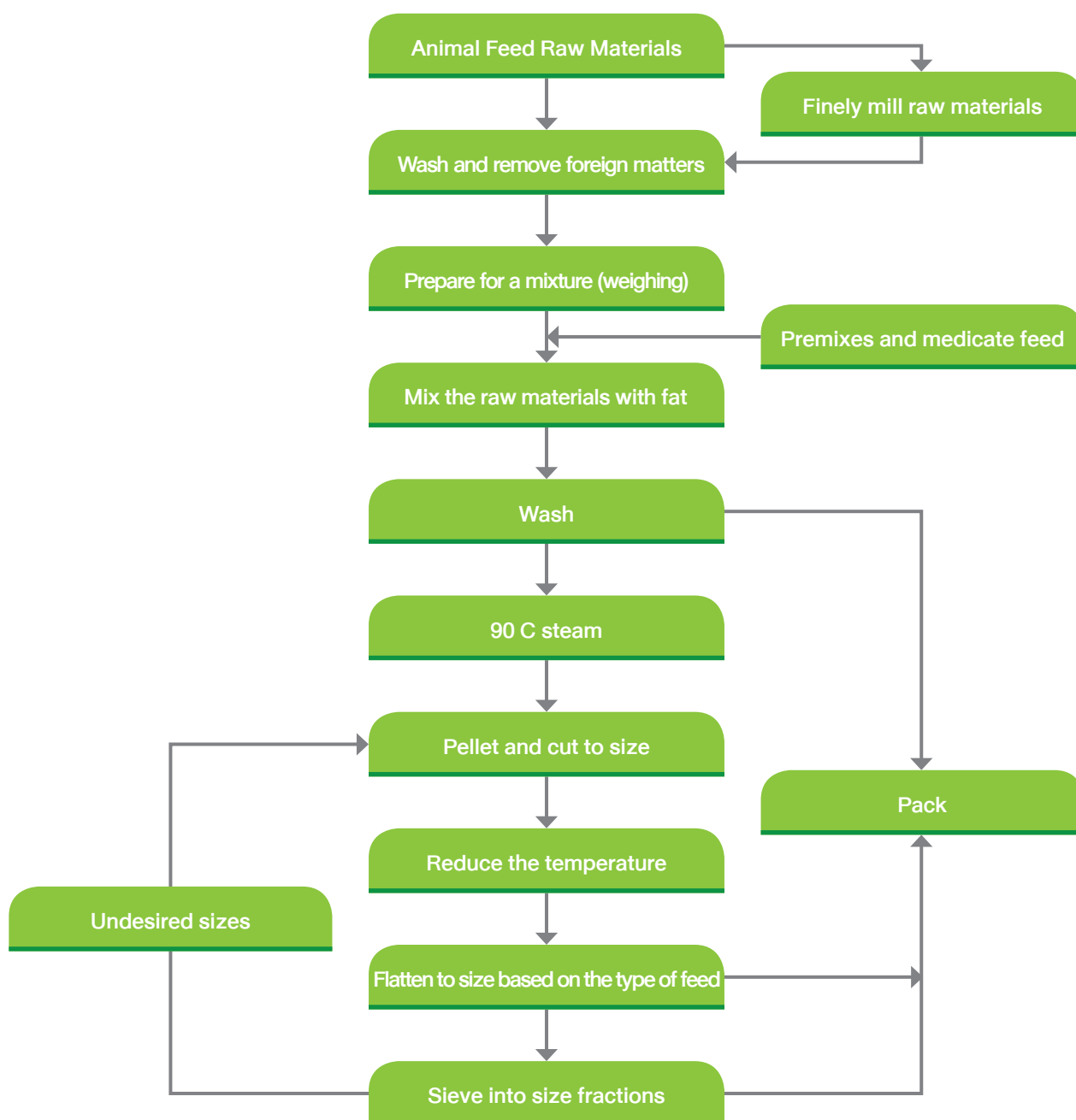
In this regard, the corporate income tax benefit of each project has been adjusted according to the actual investment in automation or robotics on the launch date of the project that has been promoted as follows:

- Lee Feed Mill Public Company Limited was entitled for a corporate income tax exemption of not exceeding 92,000,000 baht.
 - Lee Pattana Feed Mill Company Limited was entitled for a corporate income tax exemption of not exceeding 99,880,000 baht.
- 3) Deduct the annual loss incurred during the corporate income tax exemption period from the net profit incurred after the corporate income tax exemption period for not exceeding 5 years after the expiration of such period. It can be deducted from the net profit of any of the years or several years.
 - 4) Exempt from including dividends generated by BOI-promoted businesses exempt from corporate income tax in the calculation of income tax throughout the promotion period.

Currently, both projects are in the process of machine changeover to enhance production efficiency, which is expected to be completed and to leverage the corporate income tax benefits by 2022.



Animal feed production process



Note : For all produced feeds and those getting through to the packing process, if it is found that the feeds do not meet the required standards, they shall be rejected and restart at the production process.



1.2.2 Market and Competition

Customers, Targeted Customers, and Distribution Channels

Our customers and targeted customers comprise animal-raising farmers and sale agents, at the rate of 55 percent and 45 percent, respectively. Our top product is animal feed to large-scale and standard farms with adequate and consistent purchasing power, and our sale agents cover specific sale areas and are able to establish and manage subagents in said areas or external sales teams. Sales agents have the financial strength and a sound understanding of our sales terms and conditions. Since our customers strongly to products quality utilization, we focus on the production and distribution of diverse feed formulas to keep up with customer. We have forged excellent ties with customers and sales agents; we have over 800 customers, both new and old, with the top ten accounting for 50 percent of total sales. For the year 2021, the Group has revenue of Baht 1,051 million from one major customer in Thailand.

Competition Strategy

More than 39 years in this business, the Group is well known and regarded. Our R&D for feed formulas and customized products have differentiated our stance. The Group also has the production capacity to meet increases in market demand. We have forged good relations with customers through academic seminars, sales rewards, and a stock-management system that can cushion against fluctuations in raw-materials prices. Moreover, the Group have researched substitute raw materials, in case of raw-materials shortages

Pricing Strategy

Animal feed is subject to price controls by the Department of Internal Trade, Ministry of Commerce, whereby central-price ceilings have been prescribed. Producers may adjust actual selling prices in accordance with production costs and other competitive costs, such as sales promotions, but not to higher than the prescribed central price. The Group offers reasonable prices by means of effective cost management; e.g., acquisitions and stocks of raw materials at appropriate prices, particularly soybean refuse, Fish meal, maize, or, through our research, substitute raw materials of equivalent quality.

Competition

Competition in the animal-feed market is divided into 2 main markets, as follows:

1. Free market or the direct sale of animal feed to customers. Customers may use the feed themselves or resell it to farmers raising livestock.



2. Contract farming or the sale of animal feed to members participating in animal-breeding or animal culture projects. Members are guaranteed livestock prices and required to own their own farms. In addition to animal feed, animals like piglets and chicks are available to farmers, as well as information regarding modern farm-management techniques.

The overall animal-feed industry offers profits and average growth rates at moderate levels and faces demand fluctuations in certain years, hinging mostly on export. Nevertheless, the industry experiences less fluctuation compared with other processed agricultural products, since sales are limited only within the country and free from fierce international competition.

According to the Association of Thai Animal-Feed Producers, there are 54 member animal-feed factories, representing 90 percent of the market. Medium and large-scale factories focus on production of pig, chicken, and aquatic animal feeds, while small-scale factories are more specialized. The small market size results in fierce competition; large-scale producers benefit from economies of scale with supplies to their own farms and member farms.

Most sales of the Group are made in independent local markets in Thailand. The total animal-feed demand is approximately 20.69 million tons per year, with factories supplying 80 percent of the supply and farmers supplying the remaining 20 percent. Supplies from animal-feed factories goes to independent markets at the rate of 45 percent, and to integrated business lines at the rate of 55 percent. Our share in independent markets is likely in the top ten independent markets (projected by our management and only for land and aquatic animal feeds).

Competition in the form of integrated business lines poses both pros and cons. Adverse raising conditions and prices of specific animals may create a domino effect for business. On the other hand, a bright outlook for specific animals will directly benefit our field and related ones. If the Group was to focus only on animal feeds, the Group could be more flexible, such as by increasing production of certain animal feeds that show promise and are profitable, thereby lowering business risk; however, such a focus may have low growth prospects compared with integrated business lines.

Our executives anticipate that only a few players in the market can apply the integrated-business-line approach, which is suitable for large-scale companies with hefty investment capital. Note that players in the agricultural industry are mostly SMEs. As a result, SMEs are limited in their ability to expand into integrated business lines.



Animal Feed Demand in 2021 and 2022

Table: A Comparison of Animal Feed Consumption Volumes in Thailand (2021 and 2022)

Type of Animal Feed	Animal Feed Consumption					
	2021		2022		Increase (Decrease)	
	Volume (tons)	%	Volume (tons)	%	Volume (tons)	%
Broiler chicken feed	7,123,974	34.42	7,123,974	37.35	-	-
Parent chicken stock	907,200	4.38	907,200	4.76	-	-
Layer chicken (small)	605,284	2.92	605,284	3.17	-	-
Layer chicken (egg)	2,086,909	10.08	2,120,569	11.12	33,660	1.61
Parent layer-chicken stock	17,072	0.08	17,072	0.09	-	-
Swine	6,095,115	29.45	4,089,186	21.44	(2,005,929)	(32.91)
Swine breeder	1,073,220	5.20	717,523	3.75	(355,697)	(33.14)
Duck feed	331,968	1.60	331,968	1.74	-	-
Duck breeder	23,934	0.12	23,934	0.13	-	-
Layer duck	328,500	1.59	328,500	1.72	-	-
Dairy	1,065,301	5.15	1,278,349	6.70	213,048	20.00
Cattle	-	-	440,728	2.31	440,728	100.00
Shrimp	496,000	2.40	544,000	2.85	48,000	9.68
Fish	540,000	2.61	547,500	2.87	7,500	1.39
Total	20,694,477	100.00	19,075,787	100.00	(1,618,690)	(7.82)

(Source: The Thai Feed Mill Association)

The agricultural economy of 2021 expanded by 1.5% compared to that of 2020. In this regard, the fishery sector contracted by 3.0% and the livestock sector contracted by 2.4%.

For the forecast of 2022's positive factors, in regard to rainfalls which directly affect the productivity of fisheries and livestock produce of 2022, it is expected that there shall be sufficient water for production, which is conducive to satisfying growth of animal husbandry and aquaculture and results in higher efficiency in livestock production and fisheries as a whole. Moreover, the government has consistently implemented better water management policies by creating Big Data for water resources management, hence minimizing damage caused to the livestock and fishery sectors due to water scarcity. Farmer aggregation and farmer compensation in case of epidemics have been supported. There were also campaigns to encourage standard farming; for example, the BAP system in aquaculture, or GAP in livestock farming, which helped reduce losses and prevent epidemic spread.



Measures to prevent the spread of coronavirus disease (COVID-19) in Thailand as a whole are effective and influencing confidence towards measures themselves and goods, especially food, which might enjoy benefits from the confidence to an extent that opportunities for exportation have been enhanced. In addition, the government's economic stimulus schemes, e.g., "We Don't Leave Each Other", "Travel Together", "Co-payment", and more, which may be implemented from time to time, have an effect of stimulating the domestic economy, resulting in the recovery of internal consumption. Moreover, as COVID-19 is likely to become an endemic disease and a large number of Thai populations have access to vaccines, which were sufficient enough to generate herd immunity, with less severity of the disease and fewer lockdowns for the purpose of protection, or fewer controlled areas compared to the past, consumption rates shall not drop. In conclusion, with these COVID-19 factors, the consumption rates of 2022 shall be better than 2021.

For the forecast of 2022's negative factors, the COVID-19 epidemic will continue to precipitate impacts on different economic dimensions globally, but less against the travel and tourism sector. This shall affect Thailand as the country relies on tourism revenue. Internal consumption will not increase, or slightly increase, because the number of tourists has not considerably grown due to uncertainty of the epidemic situation and the difficult process of health screening. Consequently, the domestic economy continues to slow down (but tends to improve). Disputes among oil-exporting countries have resulted in higher world oil prices and affect transportation costs, causing the cost of animal feed production and the price of feed raw materials to rise. There were also outbreaks of disease in several economic animals such as African Swine Fever (ASF) in pigs, of which the damage has persisted since 2020 with no effective vaccines to prevent until now, epidemics in shrimps, and Lumpy Skin Disease in cattle, etc., all of which constantly cause damage to the production systems. Prices of livestock and fishery products have thus bounced while consumers' power of purchase dropped. The unemployment problem still persists due to the COVID-19 outbreak, bringing a halt to many businesses.

Growth rate of gross agricultural product

(Unit: Percent)

Field	2021	2022 (Forecast)
Agriculture	1.5	2.0 - 3.0
Plant	3.3	2.7 - 3.7
Livestock	-2.4	0.7 - 1.7
Fishery	-3.0	0.2 - 1.2
Agriculture Services	-3.7	3.0 - 4.0
Forest	1.5	1.5 - 2.5

Source : Agricultural Development Policy and Planning Division, Office of Agricultural Economics



Fisheries in 2022 are expected to expand by 0.2-1.2% as the economy begins to recover. Fish and shrimp prices have more greatly increased than those in 2021 as the raising environment is good, with a sufficient amount of natural water. Raising standards were upgraded through the employment of Good Aquaculture Standards (GAP). Farms and animal nurseries are more well managed than in the past.

In 2021, Thailand's total shrimp production stood at 280,000 tons, an increase of about 4% from 2020, as in 2020, there were problems of shrimp disease outbreaks and damage. Farmers have ever encountered such problems before, they were thus able to better prevent damage (improved production efficiency). Shrimp raising density was lowered, leading to reduced disease incidence. Also, consumers have adapted to and understood more about the COVID-19 outbreak, resulting in domestic consumption starting to recover (less concerned about the outbreak at the Central Shrimp Market). Another reason was that Thailand exports a large quantity of processed shrimp. Domestic products are not enough to store in cold storage; therefore, shrimps need to be partially imported. However, the higher transportation costs make the shrimp imports less advantageous, the demand for domestic shrimp thus increased, and the price has moved up through to 2022.

In 2022, Thai shrimp production and exports will grow by 7% compared to Thai shrimp production in 2021 in pursuit of the increase in production, which is expected to reach 300,000 tons. The trend of shrimp prices in 2022 is likely to increase in accordance with the increasing market demand thanks to more relaxed COVID-19 outbreak situations as the immunized proportion of Thais and people in other countries is getting higher and lessening the spread of disease. The negative factors contributed to considerably increasing energy production and shrimp feed costs while the dispute between Russia and Ukraine led to an increase in oil prices to an extent that they affect the cost of transportation and animal feed raw material pricing. In addition, feed raw materials become scarce due to low production and climate fluctuation. With these negative factors, costs of shrimp production will increase and will affect its competitiveness.

Tilapia: The total domestic production of tilapia in 2021 was approximately 210,000 tons, an increase from around 206,000 tons in 2020, equivalent to 2% due to good weather conditions and little climate variability. The average water supply was increasing and sufficient. There was less flooding and damage compared to 2020. Farmers better adapted to developed farming approaches. The fish were nursed in land for a longer period of time before being fertilized in the cage, leading to considerable reduction in damage with fewer deaths and epidemics reported. In addition, as many farmers had faced problems during 2020, they stopped raising or limited the farming, causing some fish to disappear from the system. Therefore, fish prices have bounced up since the end of 2021 to the present. With this motivation, tilapia production increased in the second half of 2021. However, what was a problem was the areas where tilapia parent stocks were raised to produce fattening fry were partially hit by floods, making the fry undersupplied since the beginning of 2022 and leading to increased fish prices as a consequence. Despite the COVID-19 outbreak that led to reduced consumption to some extent, festive feasts are more likely to be held (Tilapia is among popular dishes). Moreover, due to a disease outbreak in pigs, the price of pork, which is majorly consumed by Thai households, has been greatly increased. Consumers consequently turn to have fish meat instead and that shift improves the price of fish. It is expected that, by 2022, tilapia production shall improve due to sufficient water coupled with the relaxation of the COVID-19 situation, thanks to both effective disease prevention in the country and vaccination extended to a large number of populations that help boost consumer confidence and tourism. Moreover, tilapia prices have been satisfying since the beginning of the year while farming volumes tend to be insufficient to meet demands. These are the reasons that motivate farmers to raise tilapia more.



Catfish: The total domestic production of catfish in 2021 is about 101,000 tons, up from around 99,000 tons in 2020, an increase of 2% due to favorable weather conditions and little variability. The average water supply is increasing and sufficient, with less flooding and less damage compared to 2020. Farmers expand farming areas to raise and increase the rate of fry release, and with rising fish prices, farmers who have stopped farming were motivated to raise catfish again. It is predicted that by 2022, the amount of farming will increase due to the attractive selling price and increasing demands owing to the limited quantity of fish meat available.

Livestock: In 2022, it is expected that the industry will expand by 0.7-1.7% in comparison to 2020 as consumption demands have bounced back from its shrinkage in the previous year thanks to the ease of COVID-19 outbreak situation. Moreover, the farmers have enhanced standards of each animal farming to cope with potential outbreaks while vaccines are under development of related organizations.

Swine: For Thailand in 2021, swine production contributed to 18.58 million pigs, a decrease from 2020 when 19.91 million swine were produced, equivalent to a 6.7% decrease due to the African Swine Fever (ASF) outbreak in swine and flooding in many areas causing damage to swine production and resulting in farmers rushing to sell their produce. In addition, there were measures to close the border checkpoints due to the spread of COVID-19 with also strict measures to prevent epidemic within the country implemented by both the public and private sectors. The movement of pigs was strictly controlled; however, on the other hand, this made the production efficiency higher, as it caused farmers to delay raising to reduce the risks. In addition, the outbreak of ASF caused losses of the breeding stock. It is estimated that at least 100,000 sows will be damaged, resulting in the disappearance of more than 2 million porkers per year from the system. This definitely leads to reduction of overall swine production. It is forecasted that the production of pigs in 2023 is expected to produce 16-17 million pigs, a decrease from 18.58 million heads in 2021, or equivalent to 10-11%, because a number of sows have disappeared from the system and cannot be fed back right away. Instead, it takes 1.5-2.0 years to do so, thus porkers disappear accordingly. In addition, at present, ASF has periodically taken place in many areas and there is no vaccine that is effective enough to protect the produce against the disease. As a result, there may be more damage caused by the outbreak of this ASF.

Eggs: In 2021, 440,000 parent stock (PS) were imported, equivalent to the amount achieved in 2020. For the number of caged poultry, by early 2022, there were approximately 50 million productive breeding stock with 40 million eggs produced per day. Egg prices in 2021 as a whole averagely increased as eggs are easily accessible food and cheap while also being top picked during the COVID-19 outbreak for those under quarantine. The raising and farm management continue to focus on biosafety for effective disease prevention for farmers, keeping crop amounts close to the targets. Moreover, the weather conditions were favorable, less overheating with adequate farming water. According to the 2020 Annual Report and the 2022 egg laying projection, the import quotas were equal to those of 2021 to maintain stability and egg prices to avoid oversupply. Laying hen strategy has been drafted for further development and management to ensure the pricing is fair for both producers and consumers, enhancing competitiveness alongside government's promotion of farmer aggregation. In addition, the government has also negotiated with trading partners to identify more opportunities to export chicken eggs in order to cope with the situation of oversupply in the future, such as to Singapore and Hong Kong, etc. Egg prices in 2022 are likely to increase slightly, because the demand is high as a result of the increase in the selling price of other meats in the market, e.g., pork, chicken, fish, and shrimp. Eggs are protein foods easily tradable, easy to consume, and the unit price of which is not considerably high. Also, there was a government's policy asking for cooperation to freeze egg prices, allowing eggs to compete with other meats.



Broilers: In 2021, 1,727 million broilers were produced, which was up from 1,607 million in 2020. It is predicted that in 2022 the production will be reduced to the same figure as of 2020, or 1,607 million, due to the control of movement and number of broilers within the country. In 2022, the volatility and appreciation of the baht must be monitored as a negative factor for exports. In addition, rising energy prices drive up transportation costs. Coupled with the shortage of containers, the cost of exports has increased considerably. Moreover, animal feed raw materials shall increase significantly compared to the previous year. These factors contribute to the reduction of competitiveness of Thai chicken meat, resulting in a reduced amount of raising.

Dairy cattle: For Thailand, in 2021, it is estimated that there shall be approximately 760,000 dairy cattle affected by the COVID-19 outbreak (according to the Thai Animal Feed Association), causing a sharp drop in consumption. Dairy consumption dropped as schools had been temporarily closed for a prolonged period of time, leading to oversupply and low prices of raw milk. Farmers cannot sell milk, or sell it in a limited quota, and suffered losses. There has been an outbreak of Lumpy Skin Disease, resulting in lower yields (but low mortality) of dairy cows, with partial culling. As a result, the number of dairy cattle in 2022 is unlikely to increase from 2021. Lumpy Skin Disease tends to be less severe as there is a vaccine to prevent it and cows ever infected by this disease will have long immunity; therefore, damage only occurs in the first 1-2 years. In 2022, the situation of dairy cattle should improve as vaccination has already been rolled out for children. It is expected that, within the first half of the year, more than half of the child population will probably be vaccinated. This will greatly improve the situation as schools can be open as usual and consumption shall return to normal in the near future.

For beef cattle, it was affected by Lumpy Skin Disease, causing severe damage to fattening cattle. During the first outbreak, farmers were rushing to sell their cattle and were required to relocate some of them, making the epidemic spread even faster. Many beef cattle were missing from the system while there were no young cattle to replace, causing the current number of beef cattle insufficient for consumption. Therefore, the price of beef has increased. It is expected that in the second half of 2022, the number of beef cattle will begin to increase. In addition, consumption will gradually climb up as the situation of COVID-19 improves. The overall conclusion is that the quantity of beef cattle has decreased from last year but will gradually increase in the second half of this same year. Furthermore, the average price throughout the year shall improve. As for the negative factors, the continuing situation of rising price of feed raw materials has led to higher production costs.

Sources :

1. Documents of Agricultural Development Policy and Planning Division, Office of Agricultural Economics, Ministry of Agriculture and Cooperatives.
2. Documents of Bureau of Fisheries and Fisheries Development Strategy, Department of Fisheries.

1.2.3 Procurement of Products

Plant location

Locations of the Company's and its subsidiaries' manufacturing plants and farms are as follows:

- 1) Feed factory in Saraburi Province

At 33/1 Moo 7 Phaholyothin Road, Dao Rueang Subdistrict, Mueang District, Saraburi Province on Company-owned land with a total area of approximately 136 rai, animal feed manufacturing plants of Lee Pattana Feed Mill Company Limited are located. The first plant has a livestock feed production capacity of about 120,000 tons per year, opened for operation in 1988; and the second plant has an aquaculture feed production capacity of about 60,000 tons per year at the construction and machinery investment of about 160 million baht, opened for operation on January 4, 2007; and silos of Lee Pattana Agro Silo Company Limited, which have a capacity to store 38,500 tons of corn, opened for operation on August 3, 2005.



2) Feed manufacturing plant in Phetchaburi Province

At Huai Tha Chang Subdistrict, Khao Yoi District, Phetchaburi Province on Company-owned land with a total area of approximately 105 rai, the Company's new animal feed manufacturing plants are located. The first plant has a livestock feed production capacity of 144,000 tons per year, with a budget of approximately 231 million baht for the plant construction, opened for operation on September 2, 1996. The second plant produces aquaculture feed (first for aquaculture feed) with a production capacity of 48,000 tons per year and an investment of approximately 145 million baht for the construction, opened for operation on July 24, 2002; and the third factory produces aquaculture feed (second for aquaculture feed) with a production capacity of 24,000 tons per year and approximately 85 million-worth investment for construction, opened for operation on July 1, 2010. At present, the BOI privileges have expired.

3) Chicken breeder farm project in Phetchabun Province

In Dong Kui Subdistrict, Chon Daen District, Phetchabun Province on a Company-owned land with a total area of approximately 833 rai, the production of broilers is conducted. The construction investment was approximately 80 million baht. Opened in 1994, the current operation is temporarily suspended due to the epidemic of avian influenza in 2004. At present, it was converted into a farm for plant breeding.

4) Lee Pattana Experimental Farm Project in Saraburi Province

In Huai Haeng Subdistrict, Kaeng Khoi District, Saraburi Province on Company-owned land with a total area of approximately 600 rai. It is operated for the purposes of experimenting with economic animals such as broilers, duck broilers, quails, breeding pigs and porkers, etc., with the Animal Feed Technology Department defining a guideline and experimental method to analyze and use information in the development of the Company's animal feed quality. In this regard, the plant was first operated in 1993.

Production Capacity and Utilization

The Group has a policy to customize products based on customer orders. This offers varieties in products and recipes. However, if there is a rising demand for animal feeds in the market, the Company shall still have the capacity to support mass production. The Company also has silos to store corn during the low season in order to ensure sufficient quantity of raw materials throughout the year as well as expanding warehouses for animal feed products to magnify storage space for goods and raw materials. During the past 3 years, the Group's total production capacity and actual production volume can be summarized as follows:

Feed Manufacturing Plant	2019	2020	2021
Full production capacity (Unit: tons)	396,000	396,000	396,000
Actual production volume (Unit: tons)	129,494	162,105	236,980
Capacity utilization (%)	30	45	60



Procurement of Important Raw Materials Used in Animal Feed Production

The global economy as a whole in 2021 was affected by the COVID-19 epidemic; however, several countries started to relax their epidemic prevention and control measures. The global GDP growth index increased by an average of 5.9% in 2021 (IMF), boosting overall economy thanks to higher consumption and demand in the energy sector. The power shortage crisis and environmental problems have also raised the global crude oil price. Container shortages, the congestion of ships due to shortages of operating ports, as well as stranded boats that obstructed the Suez Canal, have caused freight costs to be higher. Prices of goods and raw materials have risen in many countries throughout the globe. In the financial sector, the US Federal Reserve continued Quantitative Easing (QE) measures to support the domestic economy while the US dollar appreciated since the second quarter of 2021 and many countries around the world have injected money into the system. These are main factors that lead to inflation.

The overall raw material prices in 2021 rose, especially of the imported raw materials, such as soybean seeds, soybean meal, wheat, which increased by more than 30% compared to those in 2020 as China has stimulated domestic consumption by accelerating the purchase of raw materials to increase the stocking inventory due to the overall growth of swine domestication, fund speculation, increasing freight costs, and energy costs coupled with the depreciation of the baht compared to 2020. As for the raw materials in the country, especially maize and cassava yields, their prices increased in line with the prices of substitute raw materials in the carbohydrate group. As for animal proteins such as fish meal, the price is high. There is a decline in domestic production as a result of the COVID-19 outbreak in aquaculture processing plants. As a result, export volume decreased by 19% from 2020 while domestic demand continued, causing the price to remain at a high level. The amount of fish meal imports increased by 39% compared to 2020.

Price condition of the major raw materials imported in the year 2022 still tends to be stable at a high level due to the continued demand for raw materials from China. Meanwhile, the arable lands of the world's major producing and exporting countries have been affected by drought (La Nina) and freight costs remain high. Also, tensions between Russia and Ukraine could lead to war and the monetary policy of the US Federal Reserve was to come out to maintain economic stability. As for the price situation of the main raw materials in the country in 2022, it is expected to be in the same direction as the foreign raw material prices. For example, corn prices rose following the direction of global wheat and corn prices. As for animal proteins such as fish meal, demand is still ongoing, both domestically and internationally, causing the price to remain high. The Group has closely monitored the situation in order to adapt to the changing market conditions, including the acquisition of new alternative raw materials for animal feed production in order to obtain quality food at reasonable costs.

1.2.4 Investment Policy in Subsidiaries

Currently, the Company still has no policy to invest in additional subsidiaries. However, if there is a business with good returns in the future, the Company shall consider the investment by taking into account the adequacy of cash, conditions, and the rate of return on investment on a case-by-case basis and shall present a plan to the Board of Directors for consideration and approval of the said investment. However, in terms of management, the Company shall delegate its directors as representatives of the Company to participate in the management team of the subsidiaries based on the proportion of investment held by the Company in order to participate in formulating important policies and monitoring business operations thereof.

1.2.5 Pending Delivery of Goods

There is no pending delivery of goods as the Company produces products for stocking and sales only.



1.3 Shareholding Structure

Ordinary Shares

Registered and paid-up capital as of 31 December 2021

Registered capital : 929,070,000 Baht, consisting of 929,070,000 ordinary shares
at a par value of 1 Baht.

Paid-up capital : 922,180,251 Baht, consisting of 922,180,251 ordinary shares at a par value of 1 Baht.

Name of the first 10 major shareholders of the Company as of the share register closing date at December 31, 2021

Shareholders' Name	No. of Shares Held	%
1. Mr.Nipon Leelasithorn	226,000,000	24.51
2. Mr.Preecha Leelasithorn	159,710,000	17.32
3. Alliance Co.,Ltd.	71,000,000	7.70
4. Wall Street Tower Co.,Ltd	32,500,000	3.52
5. Mr.Chaicharn Lhupaiboon	28,250,000	3.06
6. UOB KAY HIAN PRIVATE LIMITED	23,538,329	2.55
7. Lee Kong Jin Holdings Co.,Ltd	18,990,090	2.06
8. Mr.Somsak Amornrattanachaikul	16,569,600	1.80
9. Mrs.Krongporn Turiyakorn	16,002,887	1.74
10. Mrs.Anchalee Chamsai	7,500,043	0.81
11. Others (4,095 persons)	322,119,302	34.93
Total 4,105 persons	922,180,251	100.00

Remark ; The Leelasithorn family is the major shareholder of the Lee Feed Mill Public Company Limited with total holding of 53.05%, including of No.1-4 The representative of the Leelasithorn family is Mr. Nipon Leelasithorn.

As of 31 December 2021, the latest date of Share Registration Book closure, the Company's NVDR represents 1.98 percent of paid-up capital, or Baht 922,180,251 (par value of 1 Baht). Investors may obtain information on NVDR from www.set.or.th.



1.4 Other securities of the Company

None.

1.5 Dividend Payment Policy

Dividend Payment Policy of Lee Feed Mill Public Company Limited

The dividend payment policy of the Company will pay a dividend at the rate of not less than 50% of the net profit of the Company's separate financial statement after deduction of corporate income tax and subject to the Company's cash flow and future investment plans, including the economic situation.

According to resolutions of the Board of Directors' Meeting No.3/2022 held on 9th March 2022. Approval to pay dividends for the year 2021, at Baht 0.13 per share, which equivalent to 79 percent of net profit of the year 2021 according to the separate financial statement (representing a payout ratio 88 percent of the Consolidated financial statement) payment on 19th May 2022. Dividends payment for the year 2020 and 2019 were Baht 0.18 per share and Baht 0.12 per share, representing a payment ratio of 92 percent and 78 percent of net profit of the separated, (representing a payout ratio of 89 percent and 74 percent of the consolidated financial statement) respectively.

Dividend Payment Policy of subsidiaries

The dividend payment policy of subsidiaries will pay a dividend at the rate of not less than 50% of the net profit after deduction of corporate income tax and subject to the Company's cash flow and future investment plans, including the economic situation. In 2021, the Company did not receive dividend from its subsidiaries.



2. Risk management

2.1 Risk Management Plans and Policy

The Group has risk management to focus on the good corporate governance policy. By implementing risk management processes in accordance with the guidelines established by the Committee of Sponsoring Organization of the Tradeway Commission (COSO) throughout the company, all executives and employees are aware of their responsibility to comply to the risk management policy in order to control the risks to an acceptable level and the Group can operate according to its objectives

- 1) The managements are responsible for creating a risk assessment matrix in order to establish risk indices. This Includes preparing risk management reports in accordance with the risk management process practices.
- 2) To consider which risks are acceptable, for example, if the cost of managing risks is too high that it is neither worth the outcome nor worth for the cost of developing a system to manage or prevent risks, or if the risk is beyond the Group's control and is caused by uncontrollable external factors, the Board of Directors must approve it.
- 3) Risks affecting the objectives will be systematically controlled so that the risks are kept to an acceptable level by the Group.
- 4) Compliance for the risk management policy must be strictly and continually performed under the supervision of the managements.
- 5) If there is a risk that may affect the Group, it must be immediately reported to the appropriate person for further management.
- 6) Risk management is practiced throughout the Group, with participation from employees at all levels. It has been managed systematically and continuously in order to have the same standardized risk management process.
- 7) Establish a regular risk management evaluation and improvement process by incorporating risk management into the operation.

2.2 Risk Factors to the Group's business Operation

Risk considerations that may affect the business include:

Risk from Fluctuations in Raw Material Prices

The Group's main raw materials are maize, soybean meal, fish meal, rice bran, and broken rice, the prices of which fluctuate greatly, and they account for 80 percent of total raw materials. Raw-material prices change in accordance with demand and production volume in each period and season. The price is also determined by the demand and supply of the world markets and speculation in commodity futures market also affect the demand of these commodities. These factors may affect the price volatility of raw material. As for the supply side, natural disaster and climate change may contribute in lower crop production. These factors are uncontrollable and unexpected. Nevertheless, the Group manages to adjust sales prices for animal feeds in keeping with raw-material costs, by requesting approval for upward



price adjustments from the Department of Internal Trade. Since animal feeds are subject to price controls, price adjustments may not keep pace with raw-material prices. The Group has effectively set up a plan for raw-materials purchases; i.e., making purchases during periods of excessive raw-material production at cheap prices. The Group can substitute more expensive raw materials with cheaper one. At the same time, the Group is seeking new foreign raw-materials producers who offer competitive price compared with local suppliers.

The Volatility on Foreign Exchange Rate Risk

Our major business involves local sales of animal feeds and (meat) chicks, while raw materials like soybean meal and milk powder are imported, representing 60 percent of raw-material costs for animal-feed production. Exchange-rate risk arises, as our revenues are in baht, while certain expenditures are in U.S. dollars. The Group cushions such risk by means of forward exchange rate contracts and continuous currency monitoring, allowing control over exchange rate risk to a certain extent that the Group shall be able to recognize accurate production cost and able to effectively set the selling price.

The Volatility on Interest Rate Risk

The Group exposures to interest rate risk relates primarily to its cash at banks, current investments and short-term loan with interest. Since most of the Group financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal. To reduce the risk of interest rate, the Group sets a team to closely monitor the trend of interest rates.

Credit Control Risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables and loans as stated in the statement of financial position.



Major Shareholder Risk

As of 31 December 2021, the major shareholder of the Leelasithorn family is the Company's major shareholder, holding 489,210,000 shares or 53.05 percent of the Company's paid-up registered capital. As such, Leelasithorn family also controls voting at each Shareholders' Meeting, whether in regard to the appointment or removal of directors or voting on shareholders' resolutions requiring a majority of shareholders' votes except the matters that need to be approved by 3 in 4 of the shareholders who attends the Meeting. Thus, the minority shareholders do not have the power to check and balance the vote of the majority shareholders. The minority of shareholders may therefore face a risk of not possessing sufficient votes to review and query the management of the Company. To be as the balance of power for management, the Company appointed 4 persons as independent directors of 9 directors. In addition, the Company has formulated and committed to following its corporate governance policy in compliance with the law, business ethics considerations. They are responsible for their duties and results of their actions to all stakeholders of the Company.



3. Business sustainability development

3.1 Sustainability Management Policies and Goals

Energy Conservation Policy and Energy Management System

Due to the current conditions, the country is experiencing energy problems, which is an important factor and has a great impact on the lives of personnel within the organization as well as the domestic economy.

Therefore, Lee Pattana Group has applied an energy management system within the Group. Energy management is essential, and it is the duty and responsibility of the personnel within the organization to work together in carrying out constant and sustainable energy management.

To achieve continuous energy management, the Group hereby formulates an energy management policy as a guideline for energy operations and to promote the most efficient use and optimization of resources and benefits as follows:

1. The Group shall operate and develop an appropriate energy management system, requiring energy conservation to be part of the Group's operations in accordance with relevant laws and regulations.
2. The Group shall constantly improve the efficiency of organizational resource utilization to suit the business, deployed technologies, and good practice guidelines.
3. The Group shall determine energy conservation plans and goals on an annual basis to reduce energy consumption and communication to ensure employees' understanding and compliance.
4. The Group considers energy conservation the responsibility of the owners, management team, and employees at all levels, who need to engage in implementing specified measures, following up on, reviewing, and reporting performance to the Energy Management Working Group.
5. The Group shall provide necessary support, including information, resources in terms of personnel, budget, working hours, training and participation in the presentation of ideas to improve energy performance.
6. Executives and the Energy Management Working Group shall review and make updates on policies, goals, and plans on energy performance on an annual basis.
7. The group shall regularly consider providing designs, procuring, producing, and providing equipment and services which are necessary to improve energy performance.
8. The Group shall monitor energy consumption and optimize the amount of energy use.

Objectives

- Objectives of the environmental management system (ISO 14001) for 2021 are as follows:

Target Index	Target of 2021	Owner
Environmental complaints	0 Time	Petchaburi Plant
Environmental complaints	0 Time	Saraburi Plant
Environmental communication with the community	≥ 120 Households/Time	Saraburi Plant



- Goals and objectives of the Energy Management System (ISO 50001) for 2021 are as follows:

Target Index	Target of 2021	Owner
Reduce factory energy consumption	$\leq -2.50 \%$	Phetchaburi Plant
Reduce electricity consumption of air compressors	$\leq 0.00 \%$	Phetchaburi Plant
Reduce energy consumption for steam generation of boilers	$\leq -1.78 \%$	Phetchaburi Plant
Reduce energy consumption in shrimp feed production	$\leq -1.19 \%$	Phetchaburi Plant
Reduce energy consumption in fish feed production	$\leq -0.79 \%$	Phetchaburi Plant
Reduce energy consumption in animal feed production	$\leq -0.004 \%$	Phetchaburi Plant
Reduce electricity consumption in the energy database	$\geq 1.00 \%$	Saraburi Plant
Reduce heat energy in the energy database	$\geq 1.00 \%$	Saraburi Plant

3.2 Managing the impact on stakeholders in the value chain

Rights of stakeholders

In addition to recognizing the rights of shareholders as stipulated in the corporate governance policy, the Board of Directors also attaches great importance to the rights of employees, customers, business partners, government agencies, as well as supporting various activities of the community in creating a quality society and environmental care in order for the Group to grow stably and sustainably.

In addition to taking care of the rights of shareholders as stipulated in the good corporate governance policy, the Group also attaches importance to the rights of employees, customers, business partners, government agencies by concurrently realizing the importance of social and community quality development. The Group believes that having a good society shall lead to sustainable development. Moreover, it has supported various activities led by the society and community to create a quality society, a favorable environment to ensure a better quality of life and sustainable inclusive growth of the people.

Employee care

The Group values employees at all levels as they are valuable resources and essential to the success of the business based on its vision and mission. The Group encourages employees to develop their skills and knowledge continuously and systematically while also creating opportunities for career advancement and self-improvement.

The Group recognizes the importance of respecting human rights as the foundation of human resource development. It upholds the integrity and humanity in employment and treats employees equally. There is a fair wage policy to ensure that employees shall receive adequate compensation. The Group values welfare of employees and their family by providing benefits such as provident fund, health insurance, group accident insurance, medical reimbursement for employees and their family, annual health check-up, death benefit in case of employee's or family member's death, etc.



In addition, the Group also encourages employees to improve their financial discipline to enhance their quality of life and financial stability through the project “Personal Savings and Money Management” with the Stock Exchange of Thailand (Financial Happiness Project), educating and boosting skills for employees in terms of finance, enabling them to manage their own income and start saving and doing investments.



The Group places great emphasis on safety and good occupational health at work by fostering awareness among employees regarding both personal and public safety by organizing various projects; for example, “Safe Driving”, “Environment and Energy Safety Week”, etc. It regularly inspects the conditions of the work area to ensure that employees have a favorable working environment and venue, which are safe and hygienic. The Group offers health check-ups for employees prone to risks at work to minimize health impacts and prevent occupational diseases. There are standards for the prevention of and solution to drug problems in the workplace. Also, the Group has formulated measures to prevent and monitor the spread of COVID-19 in the workplace, both at the headquarter and within the manufacturing plants.

In addition, the Group also organizes training courses on basic firefighting for employees as well as organizing an annual fire emergency drill, fire evacuation drills in office buildings/ manufacturing plants and firefighting in the workplace, taking into account safety and emergency preparedness according to the standards required by law.

Customer care

The Group attaches great importance to the production of quality animal feeds, complying with business terms for the benefits of customers with integrity and fairness. There has been disclosure of goods and service information in an accurate, complete manner without distorting facts while also maintaining customer confidentiality and never misusing the information. This approach is to achieve the greatest trust and satisfaction of customers.

The Group pays close attention to opinions and complaints lodged by customers. Annual satisfaction assessment questionnaires have been prepared to explore the needs and expectations of customers in terms of products and services, information obtained therefrom shall be analyzed to improve the business and meet the needs of customers.



The Group has continually conducted research and developed products, integrating quality control at every stage of production to ensure that the Group's products are of good quality according to specified standards. The use of modern machinery results in high-efficient production, which reduces costs and utilizes resources effectively.

The Group has been certified with the management standards ISO 9001:2015, ISO 14001:2015, ISO 50001:2018 by the ISO Certification Institute (USA), as well as GMP and HACCP standards by the Department of Livestock Development, all of which strengthen consumer confidence towards products and services.

Partners

The Group operates its business with good governance, upholds transparency, and complies with business agreements in a fair manner to maintain a good relationship with partners. The Group has clearly defined criteria for business partner selection by considering standard quality, reasonable price, as well as the ability to provide after-sales service. In this regard, it shall never claim or ask for any wrongful benefit from business partners.

For government agencies/private sectors

The Group complies with applicable rules and regulations and cooperates with business organizations such as the Department of Livestock Development, the Department of Fisheries, the Thai Feed Manufacturers Association, the Confederation of Livestock and Aquaculture, the Thai Chamber of Commerce, the Ministry of Commerce, the Federation of Thai Industries, the Department of Labor Promotion and Protection, and complies with the principles of good corporate governance according to the guidelines set by the Stock Exchange of Thailand in order to achieve adequate business operations and sustainable growth.

Animal feed manufacturing plants

Animal feed manufacturing plants are the starting point of quality and safety. The Group features "Animal Feed Laboratories" at both animal feed factories to conduct quality tests and certification of raw materials, production process, and animal feed products to control product quality and ensure the standards are met, nutritional value check to verify that the contents are at an adequate and sufficient level. Moreover, the laboratories shall identify toxins or residues that affect animal quality in accordance with regulations of government agencies. The animal feed laboratories of the Group boast cutting-edge technology and offer accurate results. The Group is undergoing the process of registering the two animal feed laboratories with the ISO 17025 laboratory standard system, starting from the Phetchaburi manufacturing plant.

As the Group is a manufacturer and distributor of animal feed products, it is committed to the importance of laboratory management in order to obtain accurate and reliable test results.

Therefore, to achieve continuity of laboratory quality management, the Group hereby formulates a laboratory quality management system policy to be used as a guideline for operations as follows.

1. Be committed to professional work so as to obtain accurate and reliable test results and regular compliance.
2. Ensure independent management, free from pressure, and adhere to neutrality.
3. Develop and improve the operational system continuously and effectively.



3.3 Environmental Sustainability Management

ISO 50001 Energy Management System in Feed Processing

Lee Feed Mill Public Company Limited is committed to creating an organization that is environmentally friendly and attaches great importance to sustainable energy management systems by setting a clear policy on energy saving and environmental conservation. In this regard, there are two types of energy used in the production system of the Group.

Electric power Used in the production systems such as mixers, rough grinders, fine grinders. Electric power in production and service support equipment such as air conditioning systems, lighting systems, compressed air systems, and electricity, etc.

Thermal energy Thermal energy is used in the production process such as coal, fuel oil in the production of steam (Boiler). Thermal energy in transportation systems such as material relocation in factories, transportation of raw materials (Forklift) and goods using fuels such as LPG, Diesel, Gasohol, etc.

Lee Feed Mill Public Company Limited has concretely implemented the Energy Policy since 2016 in materializing the ISO 50001 energy management standard system. Presently, there is a total of 130 energy conservation measures, most of which are operational control measures. Later in 2019, the Company joined the Board of Investment's (BOI) investment promotion program to enhance efficiency, effectiveness, and reduce energy costs in the production process using a total investment of 132 million baht. It focuses on High Efficiency, which is to improve the efficiency of equipment and machines, including replacing deteriorating equipment to lower energy consumption and achieve high efficiency; Low Loss, which is to minimize energy losses in the production process in all aspects; and High Performance Workforce, which is to develop employees at all levels to ensure they possess greater knowledge and operational skills to handle automated work with SCADA System and use automation machine to better control production quality, magnifying production capacity and boosting reliability of the production process.

Machine installation leads to increased production efficiency. At the same time, the production cost of energy consumption tends to decrease as follows:

1. Rough milling process : Rough milling machine 'Hammer mill XHM 800' increased efficiency from an average of 4.5 tons/hour to 5.5-6.0 tons/hour, resulting in reduced use of electricity in the production process, accounting for 38.85% Saving, or equivalent to 15,512 kWh/year (saving value of 56,000 baht/year).





2. Pelleting process: The LTC (Long term conditioner) machine can increase the retention time of mixing steam with feed powder before pelleting, that is, from 140 seconds to 300 seconds, enabling the pelleted feed to better increase the ripeness quality of the feeds, resulting in increasing water stability and greater physical features, color, odor of animal feeds that respond to customer needs and satisfaction.

3. Shrimp feed baking and steaming process : Post Conditioner, Vertical Dryer

3.1 Feed quality : The machines can mitigate food waste problems due to low water solubility, mixed feed pellets caused by the original machinery (Horizontal Dryer), can reduce the incident by 57.40%.

3.2 Fuel consumption: Thanks to the technology of Vertical Dryer, in terms of efficiency in extracting moisture from feed pellets and using low thermal energy, the machine increases the pellet (Vertical Dryer) speed to more than 4.5 tons/hour (originally 3.0-3.5 tons/hour). This affects the amount of thermal energy consumed in steaming food and reduces moisture in feed pellets. The average steam concentration is at 180-200 kg.steam/ton, decreased by 350-400 kg.steam/ton, representing a 48% Saving. It can reduce the amount of coal used to produce steam by 600 tons per year, representing a saving of 2,471,834 baht/year.

4. Fish feed baking process : Thanks to Vertical Dryer, in terms of fuel consumption, using steam in reducing the moisture content of feed pellets results in reduced steam concentration averagely to 290 kg.steam/ton from 380 kg.steam/ton, representing a 23% Saving. Moreover, it can reduce the amount of coal used in producing steam by 154 tons per year, representing a saving of 634,994 baht/year.



In the past, energy and thermal energy saving performance of the manufacturing plants using the year 2018, prior to the changeover of machine, as the base year, represented reduced energy consumption by 30% of the annual energy use. In terms of electric power, by comparing to energy consumption of the base year, it decreased by 1,638,423.65 kWh. For thermal energy, by comparing to fuel consumption of the base year, the use of coal fuel decreased at the amount of 3,609 tons of coal due to constant energy interventions. This achievement has directly supported the nation, as, at present, Thailand still has to rely on imported fuels such as oil and natural gas from many countries, because we are unable to produce sufficient energy within the country to meet the demands that potentially increase steadily. As we are required to import energy, such imports affect the country's finance owing to large costs incurred each year. If it is possible to lessen the burden of expenses in this part, it shall benefit the economy as well. Moreover, it is a way to protect the environment, reducing harmful gas emissions, especially the greenhouse effect that is currently a global problem and severely affecting the environment and nature of the world. Moreover, this pollution issue has an influence on the health quality of living things on our planet as well.



3.4 Sustainability Management in the Social Dimension

Social responsibility

The Group is aware of social responsibility by providing support to various activities to develop and help society and communities, both those located nearby and in distance, as well as supporting environmental conservation and efficient use of resources to ensure that the society and communities shall have a better quality of life and be able to thrive sustainably.

Social aiding project

In 2021, the Covid-19 epidemic continued to be an ongoing problem and caused a tremendous impact. The Group has undertaken a number of projects to assist, mitigate the effects and help prevent the spread of COVID-19; for example, supporting medical equipment and supplies for field hospitals such as high flow oxygen regulators, PPE suits, medical gloves, and donating money and necessary items to hospitals and foundations. It also supports the government in setting up community isolations in several districts of Saraburi Province and support the Ban Kluai Subdistrict Administrative Organization, Phetchabun Province, using Company's owned territory as Local Quarantine Center, a temporary waiting venue to conduct screening of people infected by COVID-19 traveling in and out of the area.

Social aiding projects rolled out by the Group in 2021 are as follows:



Donated a high flow oxygen regulator worth 200,000 baht to King Mongkut's Hospital, Phetchaburi Province.



Donated foot operated alcohol gel dispensers and consumables to Phra Jom Klao Field Hospital, Phetchaburi Province.

Donated medical equipment and essential items to the Provincial Public Health Office of Phetchaburi.





Donated 20,000 baht to the Provincial Public Health Office of Saraburi to be spent on preventing the spread of COVID-19.



Donated 10,000 baht to Dao Rueang Subdistrict Health Promoting Hospital in Saraburi to be spent on preventing the spread of COVID-19.



Donated 50,000 baht to Dao Rueang Subdistrict Health Promoting Hospital Saraburi for use in establishing a community isolation center in the Subdistrict.



Donated 50,000 baht to Chaloe Phrakiat District, Saraburi for use in setting up a Community Covid Center.



Donated 50,000 baht to Dao Rueang Subdistrict Administrative Organization Saraburi for use in establishing a waiting center in the Subdistrict



Donated 20,000 baht to Saohai Chaloe Phrakiat Hospital, Saraburi, for use in setting up an isolation and screening center for those infected with COVID-19



Donated 20,160 baht to Nong Khae Hospital, Saraburi, to be used in prevention of the spread of COVID-19.



Supported Ban Kluai Subdistrict Administrative Organization, Phetchabun Province, by arranging dormitory buildings and the Company's canteens as a local quarantine center to isolate people traveling from high-risk areas for further monitoring and controlling of COVID-19.

Donated PPE kits to medical personnel at Wiang Haeng Hospital, Chiang Mai.



Donated cooked meals worth 82,500 baht to medical personnel at Chulalongkorn Hospital, Lersin Hospital, Thian Fah Foundation Hospital, Central Hospital, Taksin Hospital, and Hua Chiew Hospital.





Donated cooked meals worth 82,500 baht to medical personnel at Chulalongkorn Hospital, Lersin Hospital, Thian Fah Foundation Hospital, Central Hospital, Taksin Hospital, and Hua Chiew Hospital.



The Group also supported various donation projects, such as donating old calendars in the “Old Calendars We Need” project to the Educational Technology Center for the Blind, Foundation for the Blind in Thailand under the Royal Patronage of His Majesty the King, to be used for Belle card making to create teaching materials for the visually impaired. The Company donated items to the Mirror Foundation and also supported the operations of the Thai Red Cross Society by allocating areas within Surawong Headquarter and the area of both factories for the Thai Red Cross Society to use as a venue for blood donation 3 times a year as well.



Delivered food and essentials to the Flood Victims Center at Wat Tanot, Saraburi.



Donated animal feeds which are products of the Group to the Sarang Sok Subdistrict Municipality Office and the Nong Don District Office, Saraburi, to aid unaccompanied dogs and cats due to flooding.



Donated old calendars to the Foundation for the Blind in Thailand under the Royal Patronage of His Majesty the King and donated items to the Mirror Foundation.



Budget for social efforts in 2021 can be summarized as follows:

1. Provided financial support and medical equipment to hospitals	307,000 baht
2. Financially supported the establishment of community isolations	170,000 baht
3. Donated fresh and processed food to Por Teck Tung Foundation	150,000 baht
4. Delivered cooked food to medical personnel	82,500 baht
Total	<u>709,500 baht</u>

Educational Support

Over the years, the Group has financially supported schools that lack funds to purchase educational equipment, awarded scholarships to disadvantaged children in remote areas, employed teachers for the fields in need, as well as continually building and repairing educational institutions. This is because the Company realizes the importance of education and is required to encourage Thai youths to grow up with quality, possess knowledge, abilities, and develop potential in a way that they should. This is to build a solid foundation, ensuring that they shall be an important force in the development of Thai society and the nation in the future.



Knowledge sharing with the community

The Group provides opportunities for students from various institutions to undergo training and develop knowledge, skills, and allows various organizations to visit and study the production process, management system and activities. In addition, the Group also shares knowledge with third parties as a guest speaker for other agencies.

The Group joins the project to promote and develop the quality of life of Thai disabled people, enabling them to engage in agriculture and animal husbandry to improve the quality of life of Thai people with disabilities and ensure that they are able to earn income for themselves without being a burden to family and society. It is a factor that strengthens society in the long run.



Community relations

The Group places importance on coexistence with society and nearby communities by assigning teams to visit nearby areas that surround the manufacturing plant, being open for opinions, complaints or recommendations regarding the environment, and ready to improve and identify deficits so that the community and the Group can coexist and support each other.

The Group encourages employees to engage in volunteer tasks in different activities for the public benefits by undergoing field visits to aid and develop places for people in the area, ensuring their comfortability and safety; for example, in collaboration with Huai Tha Chang Subdistrict Administrative Organization, Khao Yoi District, Phetchaburi, the Group organized activities under the Royal Volunteer Project "Good Things by Heart" to help develop various places in Huai Tha Chang Subdistrict, etc.

The Group also supports nearby communities by organizing events on important religious and traditional days, such as a merit-making event, the Offering Robe Festival, Children's Day, and a Thai-Chinese local tradition, to jointly improve the quality of life for people in the community, creating a livable society, and carry on good culture of the nation.





Safety

The Group prioritizes safety by cultivating employees with awareness on both personal and public safety through various projects. For instance, "Safe Driving", "Environment and Energy Safety Week", "Emergency Response and Fire Evacuation Drill", "5 Hygiene Strategies in the Workplace", etc.



Environmental care

The Group has established a policy to protect the environment by developing an ozone system to treat odors arising from the production process, including the use of microorganisms in wastewater treatment to minimize the impacts that the production process may have on the environment.

The Group encourages employees to optimize resources and energy; for example, using both sides of paper; turning off air conditioning and electricity during lunch breaks or whenever a room is not in use; sharing vehicles when traveling on the same route, as well as using gasohol, which is a cleaner energy compared to regular gasoline. These approaches help reduce the use of resources, costs of energy use, and also mitigate the problems of dust and black smoke generated by exhaust pipes.

Anti-corruption

The Lee Pattana Group is aware of importance anti-corruption policies. Our commitment is shown by our membership in the Thai Private Sector's Anti-Corruption Coalition under the Thai Institute of Directors Association, and committed to counter all forms of corruption directly and indirectly, and is committed to being a good corporate governance, transparency, and legal integrity. Coupled with social responsibility. All levels of the Group must perform their duties in compliance with practice as follows:

1. Strictly follow the anti-corruption policy, which must not involvement in any forms of corruption, neither direct nor indirect.
2. Do not give any bribe, neither giving money nor other benefits to individuals or groups who have dealings with the both Lee Pattana Group or the third parties, with the hope of personal advantage.
3. Do not take any bribe, neither money nor other benefits. To prevent any affect to the Group and inefficient performance.



4. The procurement process must follow to the Group's procedure in the step of bidding, price comparison, choosing supplier or contractor. The Group has strict internal control procedures in the process, which must be approved by the manager or the managing director, as the case may be.
5. Charitable donations, public donations and grants must be donated on behalf of the Company or the Group only. There must be clear and reliable evidence of donation. And it must follow the Group's procedures. The Group will not use the donation as an excuse or use it for any other purpose.
6. To give or receive gifts, souvenirs, receptions or funding, either money or other benefits, to any activity or project, must be performed under the Company's name or the Group and also must be operated with transparency, can be verified. And only for the purpose of greeting or congratulating without any hidden implications.
7. The Group has a policy of political neutrality. All personnel have legal rights and political liberties. However, they need to bear in mind that they are not perform or carry out any political activities that may cause the Group to lack of neutrality or to be damaged.
8. Do not ignore when encountering corrupt involving the Group. It is a duty to notify the supervisor or responsible person knows, and to cooperate in the investigation of various facts.
9. The case of exposed to the corruption which may involve to the Group. Complaints can be made through the Company's channels:
 - a. The Company website at <http://www.leepattana.com>
 - b. E-mail the Company at acct@leepattana.com

Operational of Anti-corruption

1. Notify all staff for acknowledgment.
 - 1.1. Published via E-mail within the Company.
 - 1.2. Publish rules and regulations on the bulletin board of each department.
 - 1.3. Publish both inside and outside the company website: <http://www.leepattana.com>
 - 1.4. Published in the Annual Report Form 56-1 One Report.
2. Encourage and support all members to counter all forms of corruption. Provide for the satisfied internal controls to prevent corruption or bribery in all form.
3. To be fair and protect the personnel of the company or any others who gives clues or evidence of fraud, corruption involving of the Group. Including denied employees.
4. The corrupt persons will be considered disciplinary action in accordance with the regulations governing the administration of personnel employment, and may be punished by law.
5. Review the guidelines and regularly to update to be complied with the changing law and current circumstances.



4. Management discussion and analysis (MD&A)

4.1 Summary of Consolidated Financial Statements

Statement of financial position as at 31 December 2019 – 2021

Assets	2019		2020		2021	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Assets						
Current assets						
Cash and cash equivalents	32,326	1.08	29,894	0.95	60,891	1.88
Current investments						
Marketable securities	347,841	11.66	-	-	-	-
Fixed deposits	948,065	31.79	-	-	-	-
Trade and other receivables	193,347	6.48	232,229	7.39	268,924	8.31
Inventories	640,269	21.47	738,224	23.49	766,792	23.68
Current biological assets	6,943	0.23	6,220	0.20	11,171	0.35
Other current financial assets	-	-	1,181,681	37.60	1,041,250	32.16
Other current assets	5,384	0.18	5,614	0.18	5,093	0.16
Total current assets	2,174,175	72.91	2,193,862	69.81	2,154,121	66.54
Non-current assets						
Other non-current financial assets	-	-	33,024	1.05	33,980	1.05
Investment in associated company	9,295	0.31	-	-	-	-
Other long-term investments	18,430	0.62	-	-	-	-
Investment properties	14,004	0.47	14,004	0.45	14,840	0.46
Property, plant and equipment	711,640	23.86	822,526	26.17	980,239	30.28
Right-of-use assets	-	-	35,511	1.13	22,003	0.68
Intangible assets	10,191	0.34	15,575	0.50	6,513	0.20
Non-current biological assets	39,843	1.34	20,961	0.67	20,502	0.63
Deferred tax assets	420	0.01	2,384	0.08	495	0.02
Other non-current assets	4,173	0.14	4,975	0.16	4,830	0.15
Total non-current assets	807,996	27.09	948,960	30.19	1,083,402	33.46
Total assets	2,982,171	100.00	3,142,822	100.00	3,237,524	100.00



Statement of financial position (continued) as at 31 December 2019 – 2021

Liabilities	2019		2020		2021	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Liabilities						
Current liabilities						
Trade and other payables	155,165	5.20	203,159	6.46	246,510	7.61
Current portion of lease liabilities	-	-	13,354	0.42	10,108	0.31
Income tax payable	28,280	0.95	28,874	0.92	4,953	0.15
Other current liabilities	1,448	0.05	2,030	0.06	2,131	0.07
Total current liabilities	184,893	6.20	247,417	7.87	263,703	8.15
Non-current liabilities						
Lease liabilities, net of current portion	-	-	23,241	0.74	13,249	0.41
Deferred tax liabilities	31,010	1.04	25,792	0.82	49,243	1.52
Provision for long-term employee benefits	101,877	3.41	110,355	3.51	117,030	3.61
Other non-current liabilities	6,722	0.23	4,739	0.15	3,750	0.12
Total non-current liabilities	139,609	4.68	164,127	5.22	183,272	5.66
Total liabilities	324,502	10.88	411,544	13.09	446,975	13.81
Shareholders' equity						
Share capital – Issued and fully paid	922,180	30.91	922,180	29.34	922,180	28.48
Share premium	681,345	22.85	681,345	21.68	681,345	21.05
Retained earnings						
Appropriated – statutory reserve	144,375	4.84	122,500	3.90	122,500	3.78
Unappropriated	654,177	21.95	748,759	23.83	718,845	22.20
Other components of shareholders' equity	225,783	7.57	225,783	7.18	315,701	9.75
Equity attribute to owners of the Company	2,627,860	88.12	2,700,568	85.93	2,760,572	85.27
Non-controlling interests of the subsidiaries	29,809	1.00	30,709	0.98	29,976	0.93
Total shareholders' equity	2,657,669	89.12	2,731,277	86.91	2,790,548	86.19
Total liabilities and shareholders' equity	2,982,171	100.00	3,142,822	100.00	3,237,524	100.00



Statement of comprehensive income for the year ended 31 December 2019 – 2021

List	2019		2020		2021	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Operating Results						
Revenue						
Sales	2,625,181	98.04	2,836,262	98.21	3,736,893	98.51
Other income						
Finance income	19,322	0.72	14,197	0.49	5,484	0.14
Dividend income	21,351	0.80	21,651	0.75	41,658	1.10
Gain on equity instrument at fair value through profit or loss	-	-	4,699	0.16	956	0.03
Others	11,934	0.45	11,282	0.39	8,596	0.23
Total other income	52,607	1.96	51,829	1.79	56,694	1.49
Total revenues	2,677,788	100.00	2,888,090	100.00	3,793,587	100.00
Expenses						
Cost of sales	2,270,124	84.78	2,437,051	84.38	3,454,051	91.05
Selling expenses	62,574	2.34	57,886	2.00	56,702	1.49
Administrative expenses	155,817	5.82	141,377	4.90	137,861	3.63
Allowance for expected credit losses - doubtful debts	1,609	0.06	4,063	0.14	5,259	0.14
Loss (gain) on financial assets at fair value to profit or loss	9,824	0.37	7,806	0.27	(22,043)	(0.58)
Loss (gain) arising from changes in fair value of biological assets	(4,026)	(0.15)	7,481	0.26	(615)	(0.02)
Total expenses	2,495,922	93.21	2,655,664	91.95	3,631,215	95.72
Operating Profit	181,866	6.79	232,427	8.05	162,372	4.28
Share of profit from investment in associated company	44	0.00	2	0.00	-	-
Finance cost	(1,210)	(0.05)	(3,588)	(0.12)	(3,032)	(0.08)
Income tax expenses	(30,637)	(1.14)	(39,507)	(1.37)	(24,063)	(0.63)
Profit for the year	150,063	5.60	189,334	6.56	135,277	3.57



Statement of comprehensive income (continued) for the year ended 31 December 2019 – 2021

List	2019		2020		2021	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Changes in revaluation of assets	-	-	-	-	112,068	2.95
Less: Income tax effect	-	-	-	-	(22,081)	(0.58)
Actuarial gain	8,586	0.32	-	-	-	-
Less: Income tax effect	(1,717)	(0.06)	-	-	-	-
Other comprehensive income for the year	156,932	5.86	189,334	6.56	225,263	5.94
Profit attributable to:						
Equity holders of the Company	149,704	5.59	187,052	6.48	136,079	3.59
Non-controlling interests of the subsidiaries	359	0.01	2,282	0.08	(801)	(0.02)
Total Profit for the year	150,063	5.60	189,334	6.56	135,277	3.57
Comprehensive income attributable to:						
Equity holders of the Company	156,365	5.84	187,052	6.48	225,996	5.96
Non-controlling interests of the subsidiaries	567	0.02	2,282	0.08	(733)	(0.02)
Total comprehensive income for the year	156,932	5.86	189,334	6.56	225,263	5.94
Basic earnings per share/ Profit attributable to equity holders of the Company	0.16		0.20		0.15	



4.2 Significant Financial Ratios

			2019	2020	2021
1. Liquidity Ratios					
Current Ratio	times		11.76	8.87	8.17
Quick Ratio	times		8.23	5.84	5.20
Cash Ratio	times		0.89	0.68	0.35
Account Receivable Turnover	times		13.98	13.33	14.91
Average Collection Period	days		26	27	24
Inventory Turnover	times		3.55	3.54	4.59
Holding Period	days		103	104	80
Account Payable Turnover	times		13.38	13.60	15.36
Payment Period	days		27	27	24
Cash Conversion Cycle	days		102	104	80
2. Profitability Ratios					
Gross Profit Margin Ratio	%		13.53	14.08	7.57
Operating Profit Margin Ratio	%		5.30	6.64	2.24
Other Income Ratio	%		1.96	1.79	1.49
Operating Cash Flow	%		121.66	78.17	107.63
Net Profit margin	%		5.60	6.56	3.57
Return on Equity (ROE)	%		5.74	7.03	4.90
3. Efficiency Ratios					
Return on Assets (ROA)	%		5.11	6.18	4.24
Return on Capital (ROC)	%		29.32	33.27	22.17
Asset Turnover	times		0.91	0.94	1.19



		2019	2020	2021
4. Financial Policy Ratios				
Debt to Equity Ratio	times	0.12	0.15	0.16
Interest Coverage Ratio	times	195.65	83.15	74.85
Debt Service Coverage Ratio (Cash Basis)	times	0.86	0.98	1.53
Dividend Payout Ratio	%	74	89	88
5. Financial Data Per Share				
Net Book Value per Share	Baht/Share	2.85	2.93	2.99
Earnings per Share	Baht/Share	0.16	0.20	0.15
Cash Dividend per Share	Baht/Share	0.12	0.18	0.13
6. Growth Rate				
Total Assets	%	3.05	5.39	3.01
Total Liabilities	%	1.51	26.82	8.61
Total Revenues	%	(11.02)	8.04	31.75
Total Operating Expenses	%	0.99	(7.58)	(1.72)
Net Profit	%	78.41	26.17	(28.55)



4.3 Overall Financial Performance

The operating results of the Group in 2021 and 2020 can be described and analyzed as follows:

Business Overview

The operating results of the consolidated financial statement for the year 2021 had a net profit of Baht 136 million or 0.15 Baht per share, compared to the same period of the previous year, net profit is Baht 187 million or 0.20 Baht per share, representing a total decrease in profit of Baht 51 million or 27% of the previous year, primarily due to the significant transactions listed below:

1. The revenue from sales increased by Baht 901 million compared to the same period of previous year. The gross profit margin for the fiscal year ended December 31, 2021 was at 7.57%, which was lower than the previous year's margin of 14.08%.
2. Dividend income for the year of 2021 was Baht 41.66 million, up from Baht 21.65 million in the same period of the previous year, an increase of Baht 20.01 million.
3. The gain on equity instrument at fair value through profit or loss was Baht 0.96 million, compared to Baht 4.70 million in 2020. It is the transaction of unrealized gain on equity instrument which is stated of fair value or market price by the end of accounting period. (As of December 31, 2021 and 2020, respectively)
4. Other income totaled Baht 8.60 million in 2021, a decrease of Baht 2.69 million from the same period of the previous year, which was Baht 11.28 million.
5. The allowance for doubtful debts was approximately Baht 5.26 million, whereas the allowance for doubtful debts in 2020 was Baht 4.06 million, a Baht 1.20 million increase.
6. Gain on financial assets at fair value to profit or loss for the year of 2021 was Baht 22.04 million, compared to a loss of Baht 7.81 million in the same period of the previous year, an increase of Baht 29.85 million. It is the transaction of unrealized gain or loss on investments which are stated of fair value or market price by the end of accounting period (as of December 31, 2021 and 2020, respectively).
7. The gain from changes in the fair value of biological assets for the year 2021 was Baht 0.62 million, compared to a loss of Baht 7.48 million in the same period of the previous year. The reason for this was the revaluation of biological assets.
8. Interest income for the year of 2021 was Baht 5.48 million, a decrease of Baht 8.72 million from the same period of the previous year, which was Baht 14.20 million.
9. The corporate income tax expenses decreased by Baht 15.44 million when compared to the same period of the previous year, mainly due to the net profit and deferred tax on relating to origination and reversal of temporary differences.



Operating Results

Revenues

The Group's Sales for the year 2021 and 2020 were Baht 3,737 million and Baht 2,836 million, respectively. Animal feed sales accounted for 99.39 percent of the Group's revenue, with animal breeding and crop farming accounting for the remaining 0.61 percent.

For the year 2021, animal feed products' sales portion is composed of 51 percent for land feed sales and 49 percent for aquatic feed sales.

In 2021, the Group's sales increased by 32% compared with last year. Other income from interest income and dividend income for the year 2021 and 2020 was Baht 47 million and Baht 36 million, respectively. Moreover, other income from the sale of by-products, fixed assets and others approximately amounted to Baht 9 million and Baht 11 million, respectively. The gain on equity instrument at fair value through profit or loss was approximately Baht 1 million and Baht 5 million, respectively. There was also a gain on financial assets at fair value to profit or loss amounting to Baht 22 million in 2021, compared to a loss of Baht 8 million in 2020.

Cost of sales

In the years 2021 and 2020, cost of sales amounted of Baht 3,454 million and Baht 2,437 million, respectively, representing 92.43 percent and 85.93 percent of sales, respectively. The increase in cost of sales, amounting to Baht 1,017 million, was in the same line as increase in sales.

Selling and Administrative Expenses

In the years 2021 and 2020, selling expenses of Baht 57 million and Baht 58 million, were incurred, representing 1.49 percent and 2.00 percent of total revenues, respectively. Selling expenses dropped by Baht 1 million. Administrative expenses were Baht 138 million and 141 million in 2021 and 2020, respectively. Administrative expenses decreased by Baht 3 million.

The Group had allowance for expected credit losses - doubtful debts amounted to Baht 5 million and Baht 4 million for the year 2021 and 2020, respectively. It slightly increased by Baht 1 million.

The Group had gain arising from changes in fair value of biological assets for the year of 2021 amounted to Baht 1 million, compared to the same period of the previous year, which had a loss of Baht 7 million. This was due to the revaluation of biological assets.

The Group had finance costs approximately Baht 3 million and Baht 4 million in 2021 and 2020, respectively. It decreased by Baht 1 million compared with the same period of the previous year. However, the Group has credit facility with the financial institutions which can be promptly used in case of the fact that the Group needs to invest or lack of liquidity.



Income tax expenses

Due to a fall in the Group's profit, income tax expenses were reduced by Baht 15 million to Baht 24 million.

Net Profit

The net profit of consolidated financial statement for the period ended 31 December 2021 was Baht 135 million and decreased by Baht 54 million, or 29 percent, compared to the prior year's net profit of Baht 189 million. Net profit margins were 3.57 percent in 2021 and 6.56 percent in 2020, respectively. The Group's performance was lower mainly due to the fact that gross profit of its feed business declined by Baht 116 million. This was because revenue from aquatic feeds, which had higher gross profit than land feeds, only rose by Baht 73 million from the previous year. Meanwhile, revenue from land feed increased by Baht 818 million from the previous year. In addition, feed raw material costs had continued to rise throughout the year.

Other comprehensive income

The Group had other comprehensive income of Baht 90 million caused by land revaluation after deducting deferred tax expenses. However, the Group had no other comprehensive income in prior year.

Return on investment rate of shareholders

The rate of return on investment for shareholders fell by 2.13 percent in 2021, from 7.03 percent to be 4.90 percent. Because of the fall in net profit, the return on assets decreased from 6.18 percent in 2020 to 4.24 percent in 2021.



4.4 Financial Position

Assets

As at 31 December 2021 and 2020, The Group's total assets were Baht 3,238 million and Baht 3,143 million, respectively. For the years 2021 and 2020, the ratio of current assets to non-current assets is around 67: 33 and 70 : 30, respectively.

Cash and cash equivalents, trade and other receivables, inventories, and other current financial assets were the primary current assets as of December 31, 2021 and 2020, accounting for about 66 and 70 percent of total assets for the years 2021 and 2020, respectively.

Trade and other receivables

As at 31 December 2021 and 2020, trade and other receivables totaled Baht 269 million and Baht 232 million, or 8 percent and 7 percent of total assets, respectively. In 2021 and 2020, the collection periods also were around 24 and 27 days, respectively. The Group has always focused on cash sales policy. However, The Group gives credit for customers who have good historical payments and collaterals.

The policy of allowance for expected credit losses - doubtful debts, the Group calculated provision rates based on days past due for groupings of various customers with similar credit risks. The Group classifies customer segments by customer type and customer rating. Allowance for expected credit losses - doubtful debts will be set up provisions after deducting collateral value. Base on the Group's history, these customers still gradually pay back the Group. Therefore, the Group is confident that the Group has adequately reserved allowance for doubtful accounts.

Inventories

As at 31 December 2021 and 2020, inventories net of provision for diminution value were Baht 767 million and Baht 738 million, respectively, representing roughly 24 percent and 23 percent of total assets, respectively. The inventory turnover ratio was 80 days for 2021 and 103 days for 2020. Raw materials, such as corn, soybean meal, and fish meal, made up the majority of stockpiles. The Group keeps raw materials on hand to avoid price fluctuations and raw material shortage. Because these raw materials were dried and could be stored for a long period, there is no risk of degradation or rotting.



Other current financial assets

As at 31 December 2021 and 2020, the Group had current investments amounting of Baht 1,041 million and Baht 1,182 million, respectively. Other current financial assets composed of fixed deposits, mutual fund, investments in marketable securities and derivative corporate bonds. The investment in short-term aims to manage its financial liquidity. There is no maximum limit to invest in current investment. It is determined by the excess liquidity at each point of time. In addition, the Group will principally focus on risks and appropriated returns such as investing in government bonds, state enterprises bonds and securities listed in the stock exchange of Thailand. All investments must be approved by the Board of Directors and / or the Executive Board.

Fixed Assets

The Group's fixed assets mainly consisted of land, buildings and machinery. As at 31 December 2021 and 2020, fixed assets before deducting accumulated depreciation were Baht 2,542 million and Baht 2,347 million, respectively. A net increase amounting of Baht 195 million was caused by procurement machinery, office equipment and vehicles totaling Baht 88 million, disposal totaling Baht 13 million and land revaluation totaling Baht 112 million during the year 2021. Net book value as at 31 December 2021 and 2020 were Baht 980 million and Baht 823 million, respectively.

4.5 Sources of Fund

Liabilities

As at 31 December 2021 and 2020, the Group's total liabilities stated amounting of Baht 447 million and Baht 412 million, respectively. The ratio of total liabilities to total assets were 13.18 and 13.09 percent, respectively. Most liabilities were current liabilities which mainly were account payables from raw materials procurement under the normal credit term.

Provision for long-term employee benefits was reserved for employee compensation. As at 31 December 2021 and 2020, provision for long-term employee benefits were Baht 117 million and Baht 110 million, respectively, which increased by Baht 7 million.

The Group has no guarantee anyone else, or contingent liabilities, or any commitment to invest in the project, or have any other obligations that may affect the financial position or results of operations of the Group, except for the cross guarantee of the liabilities which the parent Company and its subsidiaries use the credit facility jointly. As at 31 December 2021 and 2020, the Group have been granted various types of credit facilities by several financial institutions of which Baht 969 million and Baht 1,026 million, respectively. These guarantees had no impact on the financial position and results of operations of the Group due to a contractual commitment to the loan which is the normal trading practices of the Group. Currently, most of credit facilities have not been exercised since the Group has good financial liquidity. Thus, the credit facilities have not been utilized the mortgage assets as collateral.



Shareholders' Equity

As at 31 December 2021, the shareholders' equity stated amounting of Baht 2,791 million, unappropriated retained earnings of approximately Baht 719 million. Board of Director Meeting No. 3/2022 held on 9th March 2022 approved to pay dividend for the year 2021 at Baht 0.13 per share, total of Baht 119,883,432.63. The dividend will be paid on 19th May 2022, which is paid from the operating result for the period from 1 January 2021 to 31 December 2021. The dividend payment is 79 percent of the separated financial statement's net profit (88 percent of the consolidated financial statement)

Appropriateness of the Capital Structure

As at 31 December 2021, debt to equity ratio is 0.16 times, which is considered a low ratio if compare to other companies in the same industry. The Group mobilized investment fund from its operations. The Group does not have the necessary source of financing from financial institutions as the Group conducts business with an emphasis on cash sales and margin levels at the appropriate level. The Company can pay a dividend to shareholders from its working capital. Therefore, it is considered that the Group's capital structure is a suitable capital structure and financial stability. Moreover, in case of the Group needs working capital in the future, the Group still has the remaining of credit line from financial institutions adequately.

As at 31 December 2021, the registered capital of the company amounts of Baht 929,070,000 shares and paid-up capital of Baht 922,180,251.

4.6 Liquidity Conditions

Cash Flow from Operations Activities

The Group has cash inflow from operations activities of Baht 90 million and Baht 147 million in 2021 and 2020, respectively, which decreased by Baht 57 million. The Group continuously maintains the policy of giving credit to customers concisely, which had an average collection period of 24 days. The Group also stores sufficiently quantity of raw materials for production. In addition, the Group principally considered changes of raw materials prices and product demands in the market. Even though Cash Conversion Cycle was 80 days, the Group had no long outstanding payables.

Cash Flow from Investment Activities

During the year 2021, the Group received for investment activities amount of Baht 122 million. The Group received from other current financial assets amounting of Baht 162 million. The Group also received interest income and dividend from other non-current financial assets amount of Baht 48 million and received cash from disposal assets amount of Baht 5 million. However, the Group procured machinery and intangible assets for operation of Baht 94 million.



Cash Flow from Financial Activities

In year 2021, the Group had cash outflow from financial activities amounting of Baht 181 million which increased by Baht 54 million. This was mainly because dividend paid in 2021 was higher than prior year and cash paid under lease agreements of Baht 15 million.

Liquidity Ratio

In year 2021 and 2020, the ratios of current assets to current liabilities were 8.17 and 8.87 times, respectively, which slightly decreased from last year. This was mainly because other current financial assets dropped by 12 percent.

4.7 Factors that may affect future operation or financial position.

Currently, the Group has no significant factor or event which may affect the Company's position or operation in the future.



5. General information and other material facts

5.1 Company Information

Lee Feed Mill Public Company Limited

Registration of the Company	: 0107537000718
Head Office Location	: 28 th Floor, Wall Street Tower, 33/137 Surawong Road, Bangrak, Bangkok 10500
Feed mill Plant Location	: 65 Moo 2, Huay Ta Chang Sub-district, Khoa Yoi District, Phetchaburi
Aquatic Feed mill Plant Location	: 62 Moo 2, Huay Ta Chang Sub-district, Khoa Yoi District, Phetchaburi
Dong Kui Farming Location	: 33 Moo 14 Dong Kui Sub-district, Chon Dan District, Phetchabun
Chon Dan Farming Location	: 246 Moo 5 Ban Kluay Sub-district, Chon Dan District, Phetchabun
Research and Development	: 40 Moo 11 Huay Hang Sub-district, Kang Koi District, Saraburi
Telephone	: 0-2632-7300 (Automatic)
Fax	: 0-2236-7751
Web Site	: www.leepattana.com
Type of Business	: Complete animal feed production and distribution, animal farming
Authorized Shares Capital	: Common shares 929,070,000 shares, Baht 1 par value
Paid-up Shares Capital	: Common shares 922,180,251 shares, Baht 1 par value
Paid-up Amount Capital	: 922,180,251 Baht

Shareholding Exceeding 10 Percent of Juristic Persons

Lee Pattana Feed Mill Company Limited

Head Office Location	: 33/137 Surawong Road, Bangrak, Bangkok 10500
Feedmill Plant Location	: 33/1 Moo 7, Phaholyothin Road, Dao Rueng Sub-district, Muang District, Saraburi
Type of Business	: Complete animal feed production and distribution.
Percents of Holding	: 95.00% of authorized share capital and paid-up Baht 200 million Common shares 20 million shares, Baht 10 par value

Lee Pattana Agro Silo Company Limited

Head Office Location	: 33/137 Surawong Road, Bangrak, Bangkok 10500
Silo Plant Location	: 33/1 Moo7, Phaholyothin Road, Dao Rueng Sub-district, Muang District, Saraburi
Type of Business	: Silo business and distributing of raw materials for animal feed.
Percents of Holding	: 95.00% of authorized shares capital and paid-up Baht 150 million Common shares 15 million shares, Baht 10 par value (99.99% held by Lee Pattana Feed Mill Co., Ltd.)



Bodhi Ngarm Sea Fram Company Limited

Head Office Location : 1/3 Moo 9 Nongbua Sub-district, Muang District, Chanthaburi
 Type of Business : Rental farming.
 Percents of Holding : 100.00% of authorized shares capital and paid-up Baht 5 million
 Common shares 50,000 shares, Baht 100 par value

P A F (2020) Company Limited

Head Office Location : 33/137 Surawong Road, Bangrak, Bangkok 10500
 Type of Business : Pet food distribution
 Percents of Holding : 99.50% of authorized shares capital and paid-up Baht 25 million
 Common shares 2.5 million shares, Baht 10 par value

5.2 Other Significant Information

Share registrar : Thailand Security Depository Co.,Ltd.
 93 Rajadapisek Road,
 Dindang, Bangkok 10400
 Tel : 0-2009-9000 Fax : 0-2009-9999

Auditors : EY Office Limited
 33rd Floor, Lake Rajada Office Complex
 193/136-137 Rajadapisek Road, Bangkok 10110
 Tel : 0-2264-9090 Fax : 0-2264-0789-90

Name of Auditor, Mr. Supachai Phanyawattano
 Certified Public Accountant Registration (Thailand) Number 3930



Legal advisor : Chamnong Chanprasit Attorney Office
26/7-8 Sukhumvit 65, Sukhumvit Road,
Phrakanong, Bangkok 10110
Tel : 0-2391-6488 Fax : 0-2391-1751

Financial advisor : None

Management advisor : None

5.3 Legal Dispute

The Group does not have any legal disputes with any person that could cause damage to the Group that amounted to more than 5 percent of the shareholders' equity at the end of the latest fiscal year. However, the Group has filed a lawsuit claiming damages from trade accounts receivable in the returned check case, which arises from the sale of goods in accordance with the normal business operations of the group.



Part 2: Corporate Governance

6. Corporate governance policy

6.1 Overview of Policies and Practices of Corporate Governance

Corporate Governance Policy

Recognizing the importance of corporate governance to Company operations and continued growth, the Board has formulated and is committed to following its corporate governance policy. Guidance is provided for the Company's direction, and the importance of internal-control and -audit procedures is emphasized. In addition, management performance is stressed, in order to ensure that shareholders' long-term interests are protected and in compliance with the law, business ethics considerations, and the Code of Best Practices for listed company directors, as issued by the Stock Exchange of Thailand.

Shareholders' Rights

The Company held its annual General Meeting at Company headquarters. Meeting notifications and supporting information in accordance with the Meeting's agenda was sent to all shareholders approximately 10 working days beforehand. Each item on the agenda included the Board of Directors' opinions, and a complete report of the Meeting was available for review by the shareholders, the Company has provided a further option for shareholders by enabling independent directors to serve as proxies for shareholders who are unable to attend the Meeting.

Shareholders' Meeting

At the annual Shareholders' Meeting for 2021, 7 directors attended. The Chairman of the Meeting gave shareholders equal opportunity in regard to reviewing Company performance, raising queries, and voicing their views. Queries raised and important views were noted in the minutes.

Leadership and Vision

The Board has played a role in determining the vision, mission, strategy, target, business plan, and budget of the Company. The Board has also mandated that management conduct business effectively in accordance with the Company's business plan and budget, so as to attain the highest value for the Company and ensure maximum stability for shareholders.

Conflicts of Interest

The Board has been informed of both conflicts of interest and connected transactions. These have been carefully considered and are in accordance with the Stock Exchange of Thailand's guidelines. The prices and conditions involved have been transacted on an arm's-length basis, and details, value, partners, reasons, and necessity are disclosed in the Annual Report Form 56-1 One Report.

Corporate Governance for subsidiaries

- None -



Treatment of Insider Information

The Company has set rules and regulations enforcing directors, executives, employees and contract employees to keep the Company's secret and internal information confidential. They are prohibited from disclosing the Company's secret or internal information for their own or other persons' benefits, either directly or indirectly, and whether or not benefits will be given to them. The prevention of management, using inside information for their own benefit management, including spouses and offspring not yet of legal age, are not allowed to use inside information not yet disclosed to the public for the purchase, sale, transfer, or acceptance of transfer of any securities issued by the Company. Such practice is in accordance with the regulations of the securities industry and the Stock Exchange of Thailand. All transactions involving such purchases, sales, transfers, or acceptance of transfer must be reported to the Securities and Exchange Commission within three workdays of the transaction date. A copy of the documentation must also be made available for review.

6.2 Business Ethics

The Company has informed the Board, management, and staff of its ethics policy in conducting business. Honesty and straightforwardness must be an integral part of all practices involving the Company, stakeholders, the public, and society. All relevant parties are aware of these practices, and communication staff and subsequent monitoring have been consistent.

Composition of the Board of Directors

The Board of Directors consists of 9 persons, as follows:

- Directors from management 3 persons
- Directors not from management 2 persons
- Independent directors 4 persons

Consolidation or Separation of Positions

The Chairman of the Board is not the same person as the CEO. However, both persons are representatives of the same major shareholder group. There are four independent directors, allowing for balance and the review of operational management

Relations with Shareholders

The Board of Directors realizes that information pertaining to the Company, financial or otherwise, plays an important role in the decisions of both shareholders and stakeholders. The Board has therefore mandated that management ensures that the disclosure of information is complete, correct, consistent, and timely. Management has consistently ascribed importance in this regard, and information disclosure has been conducted accordingly. The Company has not yet established an Investor Relations unit, as there are still few activities in this area. However, the Head of Accounting has been assigned to communicate with institutional investors, shareholders, analysts, and related government entities. Investors may contact the Company for information by calling 0-2632-7300 (extension 301 or 318), visiting the Company website at www.leepattana.com, or sending e-mail to acct@leepattana.com or ir@leepattana.com



6.3 Major Changes and Developments of Policy

Compliance Good Corporate Governance Guidelines

The Board of Directors considered and reviewed to apply the Corporate Governance Code for listed company, as issued by the Stock Exchange of Thailand, with its business operation. Besides, The Company annually reviewed at least once a year. According to the Board of Director's Meeting no. 1/2022 dated on 24th February 2022, the company considered certain matters that could not apply for or have not adopted principles and record in the minutes of the meeting.

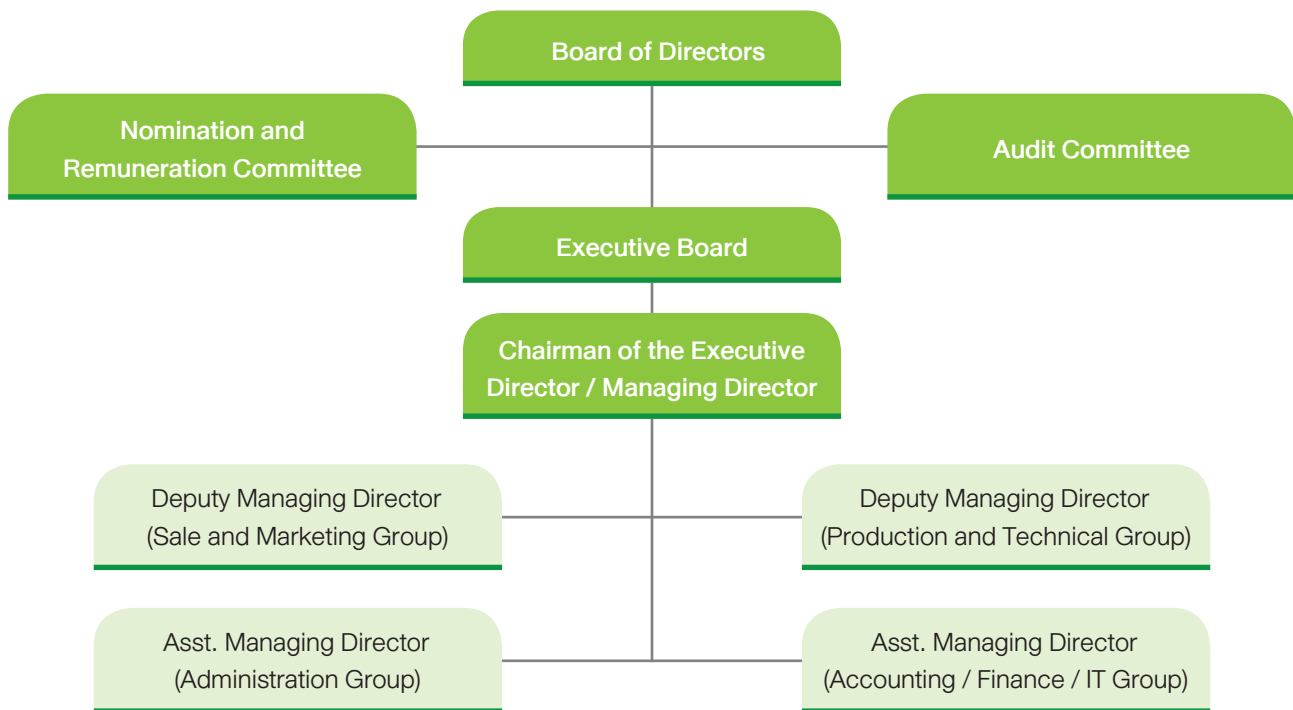
The Company has complied with the Code of best practices by annually its self- assessment. The Company also revised and reviewed the business ethics, the corporate governance policy, the anti-bribery and corruption policy and guidelines for performing duties of directors, executives and employees in order to comply management with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand and other related laws.



7. Corporate governance structure and material facts related to the board, subcommittees, executives, employees and others

7.1 Corporate Governance Structure

The Company's management structure, on a strategy and policy level, comprises of 4 committees namely the Board of Directors, the Executive Directors, the Audit Committee and the Nomination and Remuneration Committee.



Criteria of the Executive and Committee

The criteria of the executive and committee are set in accordance with the Securities and Exchange Commission (SEC) as follows;

- Of the total number of board members, at least one-third and no fewer than three persons must be independent directors.
- The Audit Committee shall have at least 3 persons

Definition of the Executive and Committee

- Executive means the authorized person who can manage and authorized director
- Non- executive means the director who is not sitting as the executive and unauthorized director
- Independent committee means the director who is not sitting as the Executive and qualified according to the SEC



7.2 Board of Directors

The Board of Directors of Lee Feed Mill Public Company Limited. Details are as follows:



1

Mr. Visith Leelasithorn

Chairman of the Board of Director



6

Mrs. Sununta Subhapholsiri

Independent Director /
Member of the Audit Committee



2

Mr. Nipon Leelasithorn

Chairman of the Executive Director
and Managing Director



7

Mr. Busarin Vanaswas

Independent Director /
Member of the Audit Committee



3

Mr. Karoon Chanmingporn

Director



8

Pol. Lt. Gen. Adisorn Nonsee

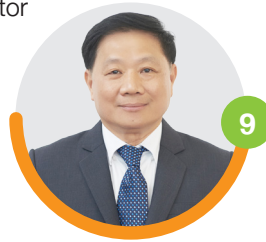
Independent Director and
Chairman of the Nomination
and Remuneration Committee



4

Mrs. Supaporn Chongvilaiwan

Director / Asst. Managing Director



9

Mr. Somsak Tiensriyuka

Director / Secretary of the Board



5

Assoc. Prof. Dr. Somjai Phagphasvivat

Independent Director /
Chairman of the Audit Committee



Directors empowered to act as signatories with the authority to commit the Company consist of Mr.Visith Leelasithorn, Mr.Nipon Leelasithorn, Mr.Karoon Chanmingporn, Mrs.Supaporn Chongvilaiwan, Mr.Somsak Tiensriyuka two directors of five directors as signatories, along with the Company's seal.

Roles and Responsibilities of Directors

1. Directors shall perform duties in accordance with specified laws, objectives, and Company regulations, as well as operate in accordance with shareholders' resolutions.
2. Directors shall establish business goals and management policies.
3. The Board of Directors has the authority to determine and change which directors are authorized to act as signatories empowered to commit the Company.
4. The Board of Directors has the authority to appoint any director or external person to act on behalf of the Board, as in the case of the Executive Director and Audit Committee. The delegation of such tasks must remain within the scope of the Board's powers, and the duties and responsibilities of the delegate must be clearly stipulated.
5. The Board of Directors is required to hold meetings should important matters arise that may affect Company operations. This includes requests for credit lines from financial institutions, loans, guarantees, business expansion, investments, or sales of investments in other businesses.
6. Directors shall review and approve quarterly financial reports prior to submitting same to the Stock Exchange of Thailand.
7. Directors shall ensure that financial and other information disclosed to shareholders is complete, correct, and transparent.

Board of Directors' meeting

The Board of Directors meeting schedule is determined by the Company annually in advance. By holding at least one quarterly meeting, and all directors will be aware of the schedule in advance.

7.3 The Sub-Committees

Audit Committee

The Committee consists of three independent directors as follows:

- | | |
|--|---------------------------------|
| 1. Assoc.Prof.Dr.Somjai Phagaphasvivat | Chairman of the Audit Committee |
| 2. Mr.Busarin Vanaswas | Member of the Audit Committee |
| 3. Mrs.Sununta Subhapholsiri | Member of the Audit Committee |

The term of Audit Committee is 2 years, shall hold a committee meeting four times a year and report to the Board of Directors. Ms.Kewalee Ruangrotekade is the secretary of the committee.

Roles and Responsibilities of Audit Committee:

1. To review that the company's financial reporting process to ensure accuracy and adequacy.
2. To review that the company has risk management system and to provide recommendations to ensure that it is always up-to date.
3. To review and ensure that the company has adequate and effective internal control systems and internal audit systems.
4. To review and ensure that the company complies with all the securities and exchange law, regulations of the Stock Exchange, and laws relating to business the company.



5. To consider, select, nominate and recommend remuneration of the company's external auditor.
6. To review the disclosure of the company's information in case that there is a related transaction that may lead to conflict of interest so as to ensure reasonableness of such translations and maximum benefit of the company.
7. To prepare a report and monitoring activities of the Audit Committee, signed by the chairman of the Audit Committee and disclose it in the annual report of the company.
8. To perform any other activities assigned by the Board of Directors, in accordance with the consent of the Audit Committee.

Qualification of the Independent Director

The Independent director of the company shall meet the qualification and have independent authority according to the Securities and Exchange Commission and Stock Exchange of Thailand; namely,

1. It shall hold shares not exceeding 0.50 percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate, or other juristic person who may have conflict, including the shares held by related persons of the independent director;
2. It shall neither being nor having been an Executive, employee, staff, or advisor who receives salary, or a controlling person of company, its parent company, subsidiary, affiliate, or other juristic person who may have conflict unless the foregoing status has ended not less than two years prior to the date of appointment;
3. It shall not be a person related by blood or registration under laws i.e. father, mother, spouse, sibling, and child, including spouse of the children; of executives, major shareholders, controlling persons, or person to be nominated as executive or controlling persons of the company or its subsidiary;
4. It shall not have a business relationship with the company, its parent company, subsidiary, affiliate, or other juristic person who may have conflict, in the manner which may interfere with his or her independent judgment, and It shall neither being nor having been a major shareholder, a non-independent director or an executive of any person having business relationship with the company, its parent company, subsidiary, affiliate, or other juristic person who may have conflict unless the foregoing relationship has ended not less than two years prior to the date of appointment;
5. It shall neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate, or other juristic person who may have conflict, and not being a principal shareholder, or a non-independent director, or an executive, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate, or other juristic person who may have conflict unless the foregoing relationship has ended not less than two years from the date of appointment;
6. It shall neither being nor having been an professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from its parent company, subsidiary, affiliate, or other juristic person who may have conflict, and neither being nor having been a principal shareholder, or a non-independent director, or an Executive, or managing partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of appointment;
7. It shall not be a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the major shareholder;
8. It shall not have any characteristics which make him/her incapable of expressing independent opinions with regard to the company's business affairs. The independent director may be assigned by the Board of Directors to take part in the business decision of the company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or other juristic person who may have conflict on the condition that such decision must be a collective one.



Nomination and Remuneration Committee

The Company realizes and emphasizes on management systems with efficient, transparent and auditable to assure to all relevant organizations. This results in sustainable growth business under the implementation of guidelines for good corporate governance. Therefore, the Company has appointed the Nomination and Remuneration Committee. According to resolutions of the Board of Director Meeting No.5/2015 on November 10, 2015 has resolved to appoint the Nomination and Remuneration Committee as follows:

- | | |
|------------------------------|--|
| 1. Pol.Lt.Gen.Adisorn Nonsee | Chairman of the Nomination and Remuneration Committee |
| 2. Mrs.Sunanta Subhaphosiri | Member of the Nomination and Remuneration Committee |
| 3. Mr.Nipon Leelasithorn | Member of the Nomination and Remuneration Committee |
| 4. Mr.Somsak Tiensriyuka | Secretary of the Nomination and Remuneration Committee |

The Nomination and Remuneration Committee serves a two-year term and reports directly to the Board of Directors.

Roles and Responsibilities of the Nomination and Remuneration Committee

1. Figuring out a policy, criteria and procedures to recruit Directors for the Board and other committees with transparency.
2. Recruiting, selecting and proposing name of qualified candidates to take up the positions of Directors in the Board or other committees in place of outgoing directors in accordance with the Articles of Association.
3. Identifying proper compensation in cash and non-cash to each individual Director.
4. Preparing a policy and criteria for the yearly remuneration that is fair and reasonable and proposes to the Board of Directors and to get approval from the general assembly of shareholders.
5. The Nomination and Remuneration Committee shall hold a committee meeting at least once a year and report to the Board of Directors.
6. Handling other activities concerning the Nomination and Remuneration as assigned by the Board of Directors.

The Company has the Nomination and Remuneration Committee to nominate directors to the Board. In the selection of persons to be directors of the Company, a Nomination and Remuneration Committee is used, and the election of each director must be approved by more than half of the total votes cast by shareholders who attend the Shareholders' meeting and have the right to vote. Should the number of votes be equal, the Chairman of the Meeting shall cast the deciding vote.

The Company regulations stipulate that the Board must consist of at least five directors, of whom at least half of the total number must reside in the Kingdom.

At the Annual General Meeting, one third of the directors shall retire from office. If the number of directors is not a multiple of three, the number of retiring directors should be as close to one third as possible. Directors retiring under this clause may be reelected.



Should a directorship become vacant due to reasons other than rotation, a qualified person not possessing any of the prohibited characteristics stipulated in Clause 68 of the Public Limited Companies Act of B.E. 2535 may fill the vacancy at the next meeting, such a person may retain this office only for the remaining term of the director he/she is replacing. The Board of Directors' resolution in this regard must also consist of at least three fourths of the remaining directors' votes.

7.4 The Executives

The Executive Directors' Committee consists of 3 executives, as follows:

- | | |
|-------------------------------|--|
| 1. Mr.Nipon Leelasithorn | Chairman of the Executive Director Committee and Managing Director |
| 2. Mrs.Supaporn Chongwilaiwan | Executive Director |
| 3. Mr.Somsak Tiensriyuka | Secretary of the Executive Director |

*Mr.Karoon Chanmingporn, Director, Executive Director and Deputy Managing Director had resigned from the Company but still holds the position of Director of the Company, effective from 1 September 2019.

Roles and Responsibilities of the Executive Directors' Committee

1. The Executive Directors' Committee shall be responsible for the Company's day-to-day management, in accordance with Board policy, and authorized not more than 100 million Baht per times
2. The Executive Directors' Committee shall set forth the Company's organizational structure and planning; and monitor and evaluate the Company's performance for presentation to the Board for approval.
3. The Executive Directors' Committee shall review, monitor, and report on Company performance, in accordance with set business plans for quarterly reporting to the Board.
4. The Executive Directors' Committee shall conduct other duties as mandated by the Board

For the purpose of approving transactions that may have any conflicts of interest or any conflicts of interest with its parent company, subsidiaries or affiliates, the Executive Directors' Committee must propose to the Board of Directors' meeting in order to consider and approve the transactions.

In addition, any transactions relating to business transactions with related parties or the acquisition or disposition of assets of the company or subsidiaries, depending on cases, must be approved by the Shareholders' meeting and / or any other practices as stipulated by the rules and procedures as specified in the announcement in order to according with the regulations of the Stock Exchange of Thailand, in such matters.



Managements

- | | |
|-------------------------------|--|
| 1. Mr.Nipon Leelasithorn | Managing Director (Production and Technical Groups) |
| 2. Mrs.Supaporn Chongvilaiwon | Asst. Managing Director (Accounting / Finance / IT Groups) |
| 3. Mr.Somsak Tiensriyuka | Director and Accounting Director |

Authority and Duties of the Managing Director

1. Prescribe policy, direction, strategy, and administrative structure in line with economic and competitive conditions, to be presented for approval by the Board of Directors.
2. Map out business plans, budgets, and investments of all types, as well as examine and monitor the implementation of policies and administrative guidelines in accordance with policies presented to and approved by the Board of Directors. Undertake other actions as assigned by the Board of Directors on a case-by-case basis. Present any transactions that may conflict with benefits or other types of interest of the Company or its subsidiaries for consideration and approval by the Board of Directors.

Any related transaction or any transaction related to the acquisition or disposal of assets of the Company or its subsidiaries, as the case may be, must receive approval from a Shareholders' Meeting and/or proceed as per governing criteria and procedures, in line with the SET's prescription for the same.

Nomination and Appointment of Directors and Executives

Criteria and process to select and appoint new directors

The Company gives shareholders an opportunity to nominate persons who do not possess disqualifications prohibited under the Securities and Exchange Act and the requirements of the Securities and Exchange Commission. The persons must conform to the requirements of the Company while also consenting to the nomination. This year, the Company is open for nominations between November 11, 2021 and February 28, 2022 with details, rules, and procedures posted on the Company's website, www.leepattana.com, in the Investor Relations section under "Investor" and announced via the website of the Stock Exchange of Thailand, www.set.or.th.

The Nomination and Remuneration Committee shall consider the list of individuals nominated by shareholders (if any), lists of individuals obtained from the director registration database, as well as other persons who possess qualifications required by the Company, and retiring directors. In addition, the Committee shall screen qualifications of the nominated persons to ensure that they are compliant with applicable laws, Articles of Association, and related criteria. The nominees must possess professional skills, expertise related to the Company's business, and/or accounting, financial, and legal skills that the Board still lacks, all of which must resonate with the qualifications of directors the Company is



looking for as well as being in line with corporate strategies regardless of gender, age, race, religion. The list shall be presented to the Board of Directors for consideration and approval, and further proposed to the shareholders' meeting for consideration and individual appointment.

At the shareholders' meeting, there must be at least 25 shareholders and/or proxies attending and holding shares in aggregate of not less than one-third of the registered and paid-up shares to form a quorum.

Each shareholder must use all available votes to elect a single person or several persons as directors; however, they cannot divide their votes in electing directors to any person.

The appointment of directors must be approved by the shareholders' meeting. Persons receiving the highest votes in descending order shall be elected as directors up to the number of directors required or to be elected at that time. In the event of equal vote counts, resulting in an excess in the number of directors required or to be elected at that time, the Chairman shall have a casting vote.

Succession Plan

The Company has implemented a development plan to find the best fit for each vacant position and to prepare manpower, both in terms of quality and quantity, creating continuity in proper management, in order to select and prepare suitable personnel to hold key positions of the Company. These positions include Chief Executive Officer and other important positions in the management structure, or Company's business operations, or any position that requires specific skills, in-depth expertise, or is difficult to replace. It has established criteria for the preparation of succession plans such as major positions, criteria for consideration and selection, as well as the process of preparing a succession plan, etc.

Nomination of Top Management

In nominating top management positions (in case of Executive Chairman and Managing Director), the Board of Directors shall primarily consider selecting persons with complete qualifications, adequate skills, knowledge, abilities, expertise and experiences that are beneficial to the Company's operations and those who understand the business, the list of which shall be proposed to the Nomination and Remuneration Committee. Afterwards, the Committee shall further propose the approved list to the Board of Directors for further consideration and approval.

Training and knowledge development

The Company has a policy to support directors and executives by providing training courses to prepare potential personnel for the positions of directors and executives in order to enhance knowledge, understanding of the roles and duties as well as to educate them about relevant rules, regulations, and laws.



7.5 Employee Information

As of December 31, 2021, the Company and its subsidiaries have the following numbers of employees:

Major Fields	Monthly	Daily	Total
Head office (Persons)	162	-	162
Feed factory (Persons)	291	205	496
Farm business (Persons)	9	23	32
Total (Persons)	462	228	690

The Group has never had any labor disputes since its inception over 39 years ago. Employee expenses for 2021 consist of salaries, bonuses, commissions, and provident fund contributions. Employee social security and other employee benefits amount to approximately 309 million baht.

In the past year, the Group has adopted the quality policy system ISO 9001:2015 for use in feed mills and farm operations, along with encouraging employees to receive training that benefits their careers to continually develop knowledge and abilities and be ready to develop business operations to be more efficient and effective.

For the hygiene and environment in the animal feed manufacturing plants, the Group has continued to improve and develop personnel, preparing to fulfill the requirements of GMP (Good Manufacturing Practice) and HACCP (Hazard Analysis Critical Control Point) and comply with international requirements as a guarantee for animal farmers in order to obtain good quality animal feed that meets international standards. In addition, the environmental management system ISO 14001:2015 and the energy management system ISO 50001:2018 have also been used to create awareness of environmental protection and energy conservation management for the community and society.

7.6 Other Important Information

Company's Secretary

Company's Board of Directors ruled to appoint Mr. Suparoj Buasri, current Director of Legal and Public Administration Department, Lee Feed Mill Public Company Limited. He is qualified both in terms of qualification and seniority. He has been performing his duty as the Company's Secretary since August 31, 2008 with duties and responsibilities as being specified in Section 89/15 and Section 89/16 of Securities and Exchange Act (Issue 4) B.E. 2551 (2008). He performed his job with responsibility, prudence and honesty as well as has had to perform the duty in accordance with laws, objectives, regulations of the Company, resolutions of the Board of Directors as well as resolutions of the Company's shareholders. Duties of the Company's Secretary as being stipulated by laws, are as follow:



1. Provide and maintain following documents:
 - A. Directors' registration
 - B. Letter of invitation for meeting of Board of Directors, Board of Directors' minutes of meeting and the Company's annual report.
 - C. Letter of invitation for meeting of shareholders and shareholders' minutes of meeting.
2. Keep stakeholders report that are provided by Directors or Executives and submit a copy of the stakeholder report required by Section 89/14 to Chairman and Audit Committee Chairman within seven working days of the report being received by the Company.
3. Undertake other performances as being stipulated by Capital Market Supervision Committee.
4. Make suggestion for laws and related regulations and practices on supervision operation of the Board of Directors to be in line with laws.
5. Other duties as being assigned by the Company.

Audit Fee

Audit fee of The Lee Feed Mill Public Company Limited and its subsidiaries for the year 2019 to 2021 to EY Office Limited as follows:

Detail	Company Payment	Name of Audit	Year 2019	Year 2020	Year 2021
1	Lee Feed Mill Public Company Limited	Ms.Krongkaew Limkittikul	1,440,000	-	-
		Mr.Supachai Phanyawattano	-	1,440,000	1,440,000
2	Lee Pattana Feed Mill Company Limited	Ms.Krongkaew Limkittikul	560,000	-	-
		Mr.Supachai Phanyawattano	-	560,000	560,000
3	Lee Pattana Agro Silo Company Limited	Ms.Krongkaew Limkittikul	150,000	-	-
		Mr.Supachai Phanyawattano	-	150,000	150,000
4	Bodhi Ngarm Sea Farm Company Limited	Ms.Krongkaew Limkittikul	80,000	-	-
		Mr.Supachai Phanyawattano	-	80,000	80,000
5	P A F (2020) Company Limited	Ms.Krongkaew Limkittikul	120,000	-	-
		Mr.Supachai Phanyawattano	-	120,000	120,000
Total of Audit Fee			2,350,000	2,350,000	2,350,000

Other fee (non-audit fee) paid to the auditors for the year 2019 to 2021 as shown in the following details.

- The Company does not pay any fees other than the audit fees for the year 2019 - 2021
- The above nominated auditors and EY Office Limited do not have any relationship or interest with or in the company or any of its executives, major shareholders or their affiliates.



8. Report on key operating results related to corporate governance

8.1 Summary of duty performance of the Board of Directors in the past year

Meetings of the Board of Directors

The Board of Directors meets regularly every quarter, with additional meetings held as necessary. The meeting agenda is clearly specified in advance, and consideration of Company performance is regularly included. The corporate secretary's department sends a meeting invitation letter, the agenda, and related documents seven days prior to the meeting, in order to allow directors sufficient time to review all information. During 2021, the Board met four times for its regular meetings and an additional one time for special meetings, totaling five meetings in all, with the participation of each director as follows:

Name	Meeting of the Board of Directors					
	General		Extraordinary		Total	
	2020	2021	2020	2021	2020	2021
1. Mr. Visith Leelasithorn	4/4	2/4	3/3	1/1	7/7	3/5
2. Mr. Nipon Leelasithorn	4/4	4/4	3/3	1/1	7/7	5/5
3. Mr. Karoon Chanmingporn	4/4	1/4	3/3	1/1	7/7	2/5
4. Mrs. Supaporn Chongvilaiwan	4/4	3/4	3/3	1/1	7/7	4/5
5. Assoc. Prof. Dr. Somjai Phagaphasvivat	4/4	4/4	3/3	1/1	7/7	5/5
6. Mrs. Sununta Subhapholsiri	4/4	4/4	3/3	1/1	7/7	5/5
7. Mr. Busarin Vanaswas	4/4	4/4	3/3	1/1	7/7	5/5
8. Pol. Lt. Gen. Adisorn Nonsee	4/4	4/4	3/3	1/1	7/7	5/5
9. Mr. Somsak Tiensriyuka	4/4	4/4	3/3	1/1	7/7	5/5

Minutes of the meetings that have been endorsed by the directors and related parties may be examined. Directors' terms follow the Company guidelines, as noted in the section "Nomination of Directors and Executives." Each term is for a three-year period.

Reports of the Board of Directors

The Board of Directors shall be responsible for the consolidated Financial Statement and separate Financial Statements of Lee Feed Mill Public Company Limited including financial information as appearing in the Annual Report. The aforementioned Financial Statement was prepared according to generally accepted accounting standards by selecting suitable and regularly accepted accounting policies as suitable for use and regular practice. Furthermore, the best prudence and judgment were exercised in the preparation thereof and the relevant information was sufficiently disclosed in the remarks accompanying the Financial Statement for the transparent benefit of the shareholders and investors in general.



The Board of Directors has arranged for and maintained an efficient internal control system in order to reasonably believe that the accounting information was accurately recorded, complete and sufficient for maintaining the company's assets to prevent corruption and irregular performance.

The Board of Directors established an Audit Committee comprising independent directors and director who are not executives in order to help supervise the quality of financial and internal control system reports by monitoring outcome evaluations, providing additional views and reporting to the board of directors about the findings of the company's audit. The opinions of the Audit Committee concerned with this issue appear in the list of names of Audit Committee directors as already shown in this Annual Report Form 56-1 One Report.

The consolidated Financial Statement and separate Financial Statements were audited by EY Office Limited an independent auditor. The aforementioned audit received the support of the company's board of directors in terms of supporting various documents, so the auditor could inspect and express opinions according to Thai Standards on Auditing. The auditor's opinion appears in this Annual Report Form 56-1 One Report.

The Board of Directors holds the joint opinion that company's internal control system is satisfactory and capable of instilling trust that the 2021 Financial Statement for Lee Feed Mill Public Company Limited is credible as generally-accepted and regularly practiced accounting standards in addition to related rules and regulations.

Remuneration of Directors and Executives

The Company's remuneration policy for directors is in accordance with the Board of Directors' policy and thus linked to Company performance. Appropriate remuneration is paid in accordance with business size and industry type and must be approved by a Shareholders' Meeting prior to payment.

The Company has the Nomination and Remuneration Committee for determining remuneration, remuneration-consideration procedures exist to determine appropriate remuneration. Such procedures take into account remuneration from other companies in the same industry and of similar size, as well as Company performance at the time of consideration. Such information is presented to the Shareholders' Meeting for final approval.

1) Monetary remuneration

- As Company directors, the nine directors received a stipend for 2019, 2020 and 2021 totaling 1,135,000 Baht per year at the same rate as follows:



Name	Position	Amount (Baht)		
		2019	2020	2021
1. Mr. Visith Leelasithorn	Chairman of the Board of Directors	345,000	345,000	345,000
2. Mr. Nipon Leelasithorn	Chairman of Executive Director / Managing Director	125,000	125,000	125,000
3. Mr. Karoon Chanmingporn	Director	95,000	95,000	95,000
4. Mrs. Supaporn Chongvilaiwan	Asst. Managing Director	95,000	95,000	95,000
5. Assoc. Prof. Dr. Somjai Phagaphasvivat	Chairman of the Audit Committee / Independent Director	95,000	95,000	95,000
6. Mr. Busarin Vanaswas	Member of the Audit Committee / Independent Director	95,000	95,000	95,000
7. Mrs. Sununta Subhapholsiri	Member of the Audit Committee / Independent Director	95,000	95,000	95,000
8. Pol. Lt. Gen. Adisorn Nonsee	Independent Director	95,000	95,000	95,000
9. Mr. Somsak Tiensriyuka	Director / Secretary of the Board of Directors	95,000	95,000	95,000
Total		1,135,000	1,135,000	1,135,000

- The directors and five executive directors receive compensation for their management of the Company in the form of salaries, bonuses, social security and provident fund. This amounted to 15.83 million baht, 12.86 million baht and 12.73 million baht for 2019 - 2021 respectively.

- For the fiscal years 2019 - 2021, the meeting allowance for the four members of the Audit Committee is Baht 260,000; the meeting allowance for the Chairman of the Audit Committee is Baht 30,000 per quarter; each of the Audit Committees receives Baht 12,000 per quarter; and the independent director receives Baht 11,000 per quarter.

Name	Position	Amount (Baht)		
		2019	2020	2021
1. Assoc. Prof. Dr. Somjai Phagaphasvivat	Chairman of the Audit Committee / Independent Director	120,000	120,000	120,000
2. Mr. Busarin Vanaswas	Member of the Audit Committee / Independent Director	48,000	48,000	48,000
3. Mrs. Sununta Subhapholsiri	Member of the Audit Committee / Independent Director	48,000	48,000	48,000
4. Pol. Lt. Gen. Adisorn Nonsee	Independent Director	44,000	44,000	44,000
Total		260,000	260,000	260,000

2) Other remuneration - None -



8.2 Report on the results of duty performance of the Audit Committee in the past year

The Board of Directors resolved to appoint the Audit Committee which consists of 3 independent directors, namely Assoc.Prof.Dr.Somjai Phagaphasvivat, the Chairman of the Audit Committee, Mrs.Sunanta Subhapholsiri and Mr.Busarin Vanaswas, the members of the Audit Committee, to perform duties as assigned by the Board of Directors, in accordance with the regulations of the Stock Exchange of Thailand.

In 2021, the Audit Committee held 4 meetings by inviting a certified auditor and related management to attend. In summary, key performance results are as follows:

1. Review quarterly financial statements and financial statements of 2021. Obtain clear and adequate reports and clarifications from the management and the certified auditor regarding relevant matters. In this regard, the opinion of the Committee is consistent with that of the certified auditor, whereby financial statements are correct in all material aspects and in accordance with generally accepted accounting standards.
2. Review the disclosure of related reports between the Company, its subsidiaries, and associated companies, and have an opinion that the information regarding connected transactions has been correctly and sufficiently disclosed.
3. Review the compliance with the law on securities and exchange and laws related to the Company's business. The Audit Committee did not find any significant issues on non-compliance with the Securities and Exchange Act and laws related to business in any way.
4. Review the sufficiency and appropriateness of the Company's internal control system in order to operate the Company's business with efficiency and effectiveness, and ensure that it can provide sustainable returns to all stakeholders. In addition, the Audit Committee also made suggestions to help improve the system to enhance the efficiency of internal operations.
5. Consider proposing a certified auditor and audit fees for 2022 to the Board of Directors for approval. For this year, the Committee proposed EY Office Company Limited, which is independent and approved by the Securities and Exchange Commission.
6. Review the compliance with the good corporate governance of the Stock Exchange of Thailand. In this regard, the Company practices are in a good tier. The Committee has also monitored the disclosure of information in the Company's annual report, as well as encouraging continuous corporate governance development processes.
7. Regularly monitor and discuss with the management about general administrative issues that may affect the Company. If any item or action is found or suspected to have a significant impact on the financial position and operating results of the Company, the Audit Committee shall report accordingly to the Board of Directors for further corrections and improvements.

In summary, the Audit Committee has performed all the duties stipulated in the Audit Committee Charter as approved by the Board of Directors. It has an opinion that the Company has accurate financial reports and operating data, with appropriate and effective internal control system and internal audits, which comply with laws, regulations and obligations. Connected transactions were properly disclosed and operations were performed in accordance with a good corporate governance system that is adequate, transparent and reliable.



8.3 Summary of the results of duty performance of subcommittees

Self-assessment

The Company arranges an evaluation of the Board of Directors' performance annually.

1. Self-Assessment Form

Criteria

The self-assessment form for the Board of Directors and subcommittees reflects the SET's self-assessment form and has been adapted to suit the nature and structure of the Company's Board of Directors. The results of the assessment shall be an important part in the development of the performance and the operation of the Board of Directors to ensure efficiency and effectiveness.

Assessment process

The Company's secretary sends an assessment form to all directors of the Company for self-assessment at the end of each year. Afterwards, she/he shall collect and report the results to the Corporate Governance Committee for further report to the Board of Directors' meeting on an annual basis.

2. Self-assessment form for individual directors

Criteria

Self-assessment form for individual directors is a tool to help directors review and develop their duties for efficiency and effectiveness. There are assessment topics that are consistent with the Board's key responsibilities according to the laws, charters, business ethics, corporate governance policy, anti-corruption policy, and handbooks for directors, executives, and employees on anti-corruption measures.

Assessment process

The Company's secretary delivers the evaluation form to all directors of the Company for self-assessment at the end of each year. Afterwards, she/he shall collect and report summarized results to the Nomination and Remuneration Committee for further report to the Board of Directors' meeting on an annual basis. The results of individual evaluation of directors shall be taken into consideration in support of the selection of directors to replace those who have retired.



9. Internal control and related party transactions

9.1 Internal Control

The Group currently does not have an internal audit department since it has established a simple operating and control system that meets international standards. To avoid any damage to the Group as a whole, the accounting department is in charge of coordinating with various departments within the Group in planning the development of the internal control system and reporting audit results to the Audit Committee. In addition, a written policy and practical guidelines have been laid out, and the staff are also trained to ensure that they understand and are able to perform their duties correctly. To ensure maximum efficiency and transparency, the staff are also provided with the Policy Manual for Approval and Signature Authority that has been approved by the Board of Directors and a code of conduct that outline punishments for conduct violations.

The Group monitors its performance against set targets on a monthly basis. In the event performance deviates significantly from set targets, measures are taken to address the problem immediately. Importance is placed upon development of the Group communications and information systems, in order to ensure that the Group data are accurate, timely, and sufficient to support decision making by management and the Board of Directors. In particular, the data-management system and documents supporting the preparation of financial statements are classified by category in accordance with accounting line items or accounting standards. The review of documents from various departments can be systemically carried out by the internal auditor for purposes of evaluating internal controls at any time.

The Audit Committee has mandated a review of effectiveness and efficiency, with an emphasis on review of internal-control procedures. Operations that do not comply with relevant laws and regulations must be reported to the responsible executive. Any material changes to or recommendations for procedures are proposed directly to the CEO for consideration. The Audit Committee may also propose recommendations or any weaknesses in internal-control procedures to the Board of Directors, so that further action can be taken.

The Board of Directors views that the Group's internal-control procedures are sufficient and suitable for its operations, protecting Company assets and those of subsidiaries from liability due to abuse by persons in authority or management for unlawful gain. The Group also ascribes importance to the recommendations and opinions of the auditor in regard to the development of internal-control procedures, the monitoring of performance to ensure maximum efficiency, and transparency in all operations conducted by management and staff at all levels throughout the organization.

9.2 Related Party Transactions

9.2.1 Value of Related Parties Transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.



(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)					
Sales of goods	-	-	160	105	Comparable with market price
Interest income	-	-	15	8	5.88% to 6.88% per annum
Dividend income	-	-	-	29	Announced rate
Purchase of goods	-	-	191	57	Comparable with market price
Rental expenses	-	-	1	1	Contract price
<u>Transactions with related companies</u>					
Rental and service expenses	16	15	8	7	Contract price
Acquisition of investment in subsidiary	-	1	-	1	Agreed price
<u>Transactions with management</u>					
Acquisition of investment in subsidiary	-	2	-	2	Agreed price

The balances of the accounts as at 31 December 2021 and 2020 between the Company and its subsidiary company are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade and other receivables - related parties</u>				
Subsidiaries	-	-	4,003	4,590
<u>Short-term loans to related parties</u>				
Subsidiary	-	-	310,000	279,000
<u>Trade and other payables - related parties</u>				
Subsidiaries	-	-	3,703	4,688
<u>Lease liabilities - related parties</u>				
Subsidiary	-	-	-	1,109
Related companies (related by common shareholders)	22,975	36,002	8,950	15,386
Total lease liabilities - related parties	22,975	36,002	8,950	16,495



9.2.2 Reasons for and necessity of related party transactions are as follows:

1) All related party transactions involve the purchase and sale of animal feed products and raw ingredients. The Group's policy stipulates that transaction prices are fixed in accordance with market prices, normal business practices, and as with sales to external parties. These related party transactions result from the fact that subsidiaries operations are similar to those of the Company (involving the production of animal feed). As such, a feed mill may urgently require a certain type of raw ingredient, due to insufficient production, or a feed mill may acquire raw ingredients at lower cost (for example, the Saraburi feed mill is located close to corn supplies, while the Phetchaburi feed mill is located near fishmeal sources). All connected transactions in this capacity are the result of strategic planning to maximize performance and attain the highest profits for the Company.

2) The Group's policy on interest rates for related loans is based on banks' MOR rate. Related loans are carried out only when working capital is urgently required on a temporary basis. The borrowing company must pay back the loan to the lending company as soon as an external lending source is found.

3) The Group has signed a lease with Alliance Company, Ltd. Rental the entire 28th floor of the Wall Street Tower Building, serving as headquarters since January 1987. Due to business expansion and the rapid increase in the number of Company employees, additional floor space was rented from Wall Street Tower Company, Ltd., and Alliance Company, Ltd. The space includes all of the 1st floor and parts of the 20th and 29th floors from March 2002, February 1995, and July 1999, respectively. The lease terms are approximately 2-3 years. Upon expiration, the lease can be renewed. The rental rates are at the market rate like for other tenants. The audit committee considered that it was fair and reasonable.

Major shareholders conducting related transactions with persons having mutual interests with the Company are as follows:

Alliance Co., Ltd. - Core business: Asset leasing.

(Paid-up registered capital of Baht 233 million as of 31 December 2021, with a par value of 1,000 Baht per share)

Major Shareholders' Name	Shareholding	
	No. of shares held	%
1. Mr. Visith Leelasithorn	57,200	24.55
2. Mr. Nipon Leelasithorn	57,200	24.55
3. Mr. Preecha Leelasithorn	57,200	24.55
4. Others (3 persons)	61,400	26.35
Total	233,000	100.00



Wall Street Tower Co., Ltd. - Core business: Sales and leasing of property.

(Paid-up registered capital of Baht 60 million as of 31 December 2021, with a par value of 100 Baht per share)

Major Shareholders' Name	Shareholding	
	No. of shares held	%
1. Alliance Co., Ltd.	144,000	24.00
2. Mr.Preecha Leelasithorn	138,000	23.00
3. Mr.Visith Leelasithorn	135,000	22.50
4. Mr.Nipon Leelasithorn	128,000	21.33
5. Others (7 persons)	55,000	9.17
Total	600,000	100.00

A review of related transactions between the Company and its subsidiaries with persons having mutual interests, as detailed above, has been conducted. As such, the independent directors and Audit Committee members regard product purchases and sales, loan interest rates, and existing property rental rates (including related amenities) as regular business transactions and in accordance with market prices.

As per Note 29 of the financial statements, as at 31 December 2021, the Group had outstanding bank guarantees of approximately Baht 10.5 million (2020: Baht 9.5 million) (the Company only: Baht 6 million (2020: Baht 5 million)) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the ordinary course of their businesses.

The Group have been granted various types of credit facility, by several financial institutions of which Baht 969 million (2020: Baht 1,026 million) (The Company Only: Baht 759 million (2020: Baht 771 million)) has not been utilized. Most of the facilities have been cross-guaranteed by the Company and its subsidiaries.

Related party transactions are trading, lending and rental. These are normal transaction under commercial term which are not different to the third party's term. In the past, intercompany transactions, as the case maybe have been approved by board of directors, audit committee and shareholder. The stakeholders have no right to vote on such transactions.



9.2.3 Policies for or the outlook of related party transactions

Related party transactions involve product sales/purchases, credit extensions, and leasing of office space and facilities, which are not different from normal trading transactions at normal market rates. Conditions do not differ from transactions entered into with a third party. Normally, related party transactions are approved by an executive or authorized officer within his/her scope of authority and duties.

Related party transactions are likely to continue in the future, such as the leasing of office space of persons with conflicts of interest or with any interest under normal terms and conditions, and at fair, reasonable, and examinable prices, comparable with those offered to a third party. Terms and conditions shall be presented for consideration by the Audit Committee. The Company may appoint the Audit Committee or an independent expert to consider and comment on the appropriateness of the price of a transaction.

In the event of a transaction with a person with a conflict of interest or with any interest, the Company shall assign the Audit Committee to comment on the price, rate of return, necessity, and propriety of the transaction, provided that a director with a conflict of interest is not allowed to vote in that particular meeting.

9.2.4 Investor protection measures

In the event of a transaction with a person with a conflict of interest or with any interest, the Company shall assign the Audit Committee to comment on the price, rate of return, necessity, and propriety of the transaction, in order to ensure fairness and a reasonable price. In the event the Audit Committee does not possess expertise in a given issue, the Company shall assign an independent expert or auditor to provide comments for decision-making by the Board of Directors or shareholders, as the case may be. The Board of Directors shall comply with laws governing securities and the stock market and rules, notifications, instructions, or prescriptions of the Stock Exchange of Thailand, as well as regulations governing the disclosure of information of related party transactions and acquisitions or the disposal of assets of the Company or its subsidiaries. The Company shall also disclose related party transactions on notes to the audited financial statements.



Part 3: Financial Statements

Independent Auditor's Report

To the Shareholders of Lee Feed Mill Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Lee Feed Mill Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Lee Feed Mill Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lee Feed Mill Public Company Limited and its subsidiaries and of Lee Feed Mill Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the 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 significant in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.



Key audit matter and how audit procedures respond for each matter are described below.

Revenue recognition

The amount of revenue from sales of goods is highly significant. In addition, the Group has variety of sales conditions. Recording of revenue recognition and presentation in the financial statements in accordance with the Thai Financial Reporting Standards are important as they directly affect the operating results which are interested by the users of the financial statements.

I assessed and tested the effectiveness of the Group's internal controls relating to the revenue cycle, examined supporting documents on a sampling basis for actual sale transactions occurring during the year, expanded the scope of audit near the end of the reporting period and tested sale transactions with respect to the accuracy and timing of revenue recognition. I also examined credit notes issued by the Group after the period end and performed analytical procedures on disaggregated data, including reconciliation of sales to cash receipts, to detect possible irregularities in sale transactions throughout the period, particularly accounting entries made through journal vouchers.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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



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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 24 February 2022



Statement of financial position

Lee Feed Mill Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	60,890,839	29,894,498	34,657,738	14,995,279
Trade and other receivables	8	268,924,060	232,228,626	142,567,796	142,733,904
Short-term loans to related party	6	-	-	310,000,000	279,000,000
Inventories	9	766,791,849	738,224,316	318,461,017	279,306,496
Current biological assets	10	11,170,964	6,219,772	11,170,964	6,219,772
Other current financial assets	11	1,041,250,395	1,181,680,592	1,024,250,395	1,162,680,592
Other current assets		5,093,216	5,613,862	2,541,299	3,174,463
Total current assets		2,154,121,323	2,193,861,666	1,843,649,209	1,888,110,506
Non-current assets					
Other non-current financial assets	12	33,980,395	33,023,912	33,980,395	33,023,912
Investments in subsidiaries	13	-	-	215,784,556	215,784,556
Investment properties	14	14,840,200	14,003,993	14,528,200	13,754,587
Property, plant and equipment	15	980,238,881	822,525,836	499,441,171	350,136,033
Right-of-use assets	18	22,003,086	35,511,384	8,783,814	16,577,704
Intangible assets - computer software	16	6,513,154	15,575,109	6,204,589	10,087,239
Non-current biological assets	10	20,502,485	20,961,491	20,502,485	20,961,491
Deferred tax assets	24	494,606	2,383,705	-	1,928,737
Other non-current assets		4,829,522	4,974,507	2,499,713	2,569,798
Total non-current assets		1,083,402,329	948,959,937	801,724,923	664,824,057
Total assets		3,237,523,652	3,142,821,603	2,645,374,132	2,552,934,563

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



Statement of financial position (continued)

Lee Feed Mill Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	246,510,372	203,159,382	120,841,289	103,176,684
Current portion of lease liabilities	18	10,108,161	13,354,135	4,578,189	7,802,930
Income tax payable		4,953,458	28,874,086	4,945,906	22,983,878
Other current liabilities		2,131,458	2,029,837	1,369,846	1,083,061
Total current liabilities		263,703,449	247,417,440	131,735,230	135,046,553
Non-current liabilities					
Lease liabilities, net of current portion	18	13,248,739	23,240,918	4,753,929	9,285,804
Deferred tax liabilities	24	49,242,871	25,792,092	28,147,455	-
Provision for long-term employee benefits	19	117,030,487	110,354,735	58,983,589	55,397,667
Other non-current liabilities		3,749,786	4,739,119	3,344,774	3,334,107
Total non-current liabilities		183,271,883	164,126,864	95,229,747	68,017,578
Total liabilities		446,975,332	411,544,304	226,964,977	203,064,131
Shareholders' equity					
Share capital					
Registered					
929,070,000 ordinary shares of Baht 1 each		929,070,000	929,070,000	929,070,000	929,070,000
Issued and fully paid					
922,180,251 ordinary shares of Baht 1 each		922,180,251	922,180,251	922,180,251	922,180,251
Share premium		681,345,392	681,345,392	681,345,392	681,345,392
Retained earnings					
Appropriated - statutory reserve	20	122,500,000	122,500,000	122,500,000	122,500,000
Unappropriated		718,845,452	748,759,374	526,646,978	541,072,606
Other components of shareholders' equity	21	315,701,029	225,783,376	165,736,534	82,772,183
Equity attributable to owners of the Company		2,760,572,124	2,700,568,393	2,418,409,155	2,349,870,432
Non-controlling interests of the subsidiaries		29,976,196	30,708,906	-	-
Total shareholders' equity		2,790,548,320	2,731,277,299	2,418,409,155	2,349,870,432
Total liabilities and shareholders' equity		3,237,523,652	3,142,821,603	2,645,374,132	2,552,934,563

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



Statement of comprehensive income

Lee Feed Mill Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Sales		3,736,893,216	2,836,261,860	1,795,005,022	1,432,289,522
Other income					
Dividend income		41,657,990	21,650,700	41,657,990	50,150,700
Gain on equity instrument at fair value through profit or loss		956,483	4,698,512	956,483	4,698,512
Others		8,595,650	11,282,494	5,126,792	5,078,677
Total revenues		3,788,103,339	2,873,893,566	1,842,746,287	1,492,217,411
Expenses					
Cost of sales		3,454,051,248	2,437,050,886	1,586,030,872	1,167,425,331
Selling expenses		56,701,718	57,885,957	35,208,965	35,267,089
Administrative expenses		137,861,455	141,377,017	75,694,741	78,970,017
Allowance for expected credit losses					
- doubtful debts		5,258,800	4,062,807	6,461,569	4,795,462
Loss on financial assets at fair value to profit or loss		(22,042,604)	7,806,422	(22,042,604)	7,806,422
Loss (gain) arising from changes in fair value of biological assets		(615,305)	7,480,743	(615,305)	7,480,743
Total expenses		3,631,215,312	2,655,663,832	1,680,738,238	1,301,745,064
Operating profit		156,888,027	218,229,734	162,008,049	190,472,347
Share of profit from investment in associated company		-	1,900	-	-
Finance income	22	5,483,724	14,196,817	20,131,616	22,113,043
Finance cost		(3,031,767)	(3,587,635)	(1,365,176)	(1,716,725)
Profit before income tax expenses		159,339,984	228,840,816	180,774,489	210,868,665
Income tax expenses	24	(24,062,942)	(39,506,586)	(29,207,672)	(31,055,774)
Profit for the year		135,277,042	189,334,230	151,566,817	179,812,891

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



Statement of comprehensive income (continued)

Lee Feed Mill Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in revaluation of assets	15	112,067,503	-	103,705,438	-
Less: Income tax effect	24	(22,081,079)	-	(20,741,087)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax					
Other comprehensive income for the year		89,986,424	-	82,964,351	-
Total comprehensive income for the year		225,263,466	189,334,230	234,531,168	179,812,891
Profit attributable to:					
Equity holders of the Company		136,078,523	187,051,958	151,566,817	179,812,891
Non-controlling interests of the subsidiaries		(801,481)	2,282,272		
		135,277,042	189,334,230		
Total comprehensive income attributable to:					
Equity holders of the Company		225,996,176	187,051,958	234,531,168	179,812,891
Non-controlling interests of the subsidiaries		(732,710)	2,282,272		
		225,263,466	189,334,230		
Earnings per share	25				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.15	0.20	0.16	0.19

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

Statement of changes in shareholders' equity

Lee Feed Mill Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements								
	Equity attributable to owners of the Company								
	Issued and fully paid share capital	Share premium	Retained earnings		Other components of equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
			Appropriated -Statutory reserve	Unappropriated					Other comprehensive income
Balance as at 1 January 2020	922,180,251	681,345,392	144,375,000	650,051,222	225,783,376	-	2,623,735,241	29,822,180	2,653,557,421
Profit for the year	-	-	-	187,051,958	-	-	187,051,958	2,282,272	189,334,230
Total comprehensive income for the year	-	-	-	187,051,958	-	-	187,051,958	2,282,272	189,334,230
Dividend paid (Note 28)	-	-	-	(110,218,806)	-	-	(110,218,806)	-	(110,218,806)
Dividend of subsidiaries paid to non-controlling interest	-	-	-	-	-	-	-	(1,500,003)	(1,500,003)
Increase in non-controlling interest of the subsidiary from acquisition of investment in subsidiary (Notes 13)	-	-	-	-	-	-	-	104,457	104,457
Reverse retained earnings transferred to statutory reserve of subsidiaries	-	-	(21,875,000)	21,875,000	-	-	-	-	-
Balance as at 31 December 2020	922,180,251	681,345,392	122,500,000	748,759,374	225,783,376	-	2,700,568,393	30,708,906	2,731,277,299

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



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Lee Feed Mill Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements						
	Equity attributable to owners of the Company					Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		Other components of equity		
			Appropriated -Statutory reserve	Unappropriated		Other comprehensive income	Revaluation surplus on land
Balance as at 1 January 2021	922,180,251	681,345,392	122,500,000	748,759,374	225,783,376	2,700,568,393	2,731,277,299
Profit for the year	-	-	-	136,078,523	-	136,078,523	135,277,042
Other comprehensive income for the year	-	-	-	-	89,917,653	89,917,653	89,986,424
Total comprehensive income for the year	-	-	-	136,078,523	89,917,653	225,996,176	225,263,466
Dividend paid (Note 28)	-	-	-	(165,992,445)	-	(165,992,445)	(165,992,445)
Balance as at 31 December 2021	922,180,251	681,345,392	122,500,000	718,845,452	315,701,029	2,760,572,124	2,790,548,320

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

Statement of changes in shareholders' equity (continued)

Lee Feed Mill Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements					
	Issued and fully paid share capital	Share premium	Retained earnings		Other components of equity	Total shareholders' equity
			Appropriated - Statutory reserve	Unappropriated	Other comprehensive income	
Balance as at 1 January 2020 – as restated	922,180,251	681,345,392	122,500,000	471,478,521	82,772,183	2,280,276,347
Profit for the year	-	-	-	179,812,891	-	179,812,891
Total comprehensive income for the year	-	-	-	179,812,891	-	179,812,891
Dividend paid (Note 28)	-	-	-	(110,218,806)	-	(110,218,806)
Balance as at 31 December 2020	922,180,251	681,345,392	122,500,000	541,072,606	82,772,183	2,349,870,432

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



Statement of changes in shareholders' equity (continued)

Lee Feed Mill Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements					
	Issued and fully paid share capital	Share premium	Retained earnings		Other components of equity	Total shareholders' equity
			Appropriated - Statutory reserve	Unappropriated	Other comprehensive income	
Balance as at 1 January 2021	922,180,251	681,345,392	122,500,000	541,072,606	82,772,183	2,349,870,432
Profit for the year	-	-	-	151,566,817	-	151,566,817
Other comprehensive income for the year	-	-	-	-	82,964,351	82,964,351
Total comprehensive income for the year	-	-	-	151,566,817	82,964,351	234,531,168
Dividend paid (Note 28)	-	-	-	(165,992,445)	-	(165,992,445)
Balance as at 31 December 2021	922,180,251	681,345,392	122,500,000	526,646,978	165,736,534	2,418,409,155

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



Cash flow statement

Lee Feed Mill Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	159,339,984	228,840,816	180,774,489	210,868,665
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised gain on other current financial assets	(48,643,248)	(1,625,876)	(48,643,248)	(1,625,876)
Loss on sales of other current financial assets	26,600,644	9,723,263	26,600,644	9,723,263
Gain on sales other non-current financial assets	-	(290,965)	-	(290,965)
Unrealised gain on equity instrument at fair value through profit or loss	(956,483)	(4,698,512)	(956,483)	(4,698,512)
Expected credit losses	5,258,800	4,062,809	6,461,569	4,795,462
Reduction of inventories to net realisable value (reversal)	(579,434)	138,767	224,992	55,347
Loss (gain) arising from change in fair value of biological assets	(615,305)	7,480,743	(615,305)	7,480,743
Share of profit from investment in associated company	-	(1,900)	-	-
Reversal impairment of investment in associated company	-	-	-	(24,420)
Gain on bargain purchase of subsidiary	-	(2,093)	-	-
Increase in fair value of investment properties	(836,207)	-	(773,613)	-
Depreciation and amortisation	64,569,673	65,901,280	30,900,897	32,016,084
Gain on sales of equipments	(4,297,746)	(1,994,913)	(2,616,166)	(861,877)
Provision for long-term employee benefits	10,496,492	10,604,221	5,590,589	5,498,878
Dividend received from financial assets	(41,657,990)	(21,650,700)	(41,657,990)	(21,650,700)
Dividend received from investment in subsidiary	-	-	-	(28,500,000)
Unrealised loss (gain) on exchange rate	85,875	(260,266)	(65,107)	(59,175)
Finance income	(5,483,724)	(14,256,849)	(20,131,616)	(22,113,043)
Finance cost	1,761,407	2,534,811	771,392	1,225,370
Profit from operating activities before changes in operating assets and liabilities	165,042,738	284,504,636	135,865,044	191,839,244
Operating assets (increase) decrease				
Trade and other receivables	(43,001,308)	(48,775,083)	(7,267,157)	(6,081,956)
Inventories	(27,988,099)	(98,093,997)	(39,379,513)	(1,059,067)
Current biological assets	(4,165,878)	(141,846)	(4,165,878)	(141,846)
Other current assets	811,482	(226,900)	633,164	64,108
Non-current biological assets	288,997	12,265,948	288,997	12,265,948
Other non-current assets	144,985	(801,624)	70,085	(425,889)

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



Cash flow statement (continued)

Lee Feed Mill Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Operating liabilities increase (decrease)				
Trade and other payables	48,637,326	48,204,359	18,183,851	11,060,789
Other current liabilities	75,262	560,392	260,425	(334,539)
Cash paid for long-term employee benefits	(3,820,740)	(2,126,867)	(2,004,667)	(1,418,000)
Other non-current liabilities	(989,333)	(1,983,036)	10,667	(983,037)
Cash flows from operating activities	135,035,432	193,385,982	102,495,018	204,785,755
Cash paid for interest expenses	(3,467)	(7,805)	(1,092)	(4,453)
Cash paid for corporate income tax	(45,015,606)	(46,093,643)	(37,910,539)	(38,710,445)
Net cash flows from operating activities	90,016,359	147,284,534	64,583,387	166,070,857
Cash flows from investing activities				
Decrease in other current financial assets	162,472,801	116,336,772	160,472,801	125,128,520
Increase in other non-current financial assets	-	(9,604,035)	-	(9,604,035)
Cash paid for investment in subsidiary	-	(814,027)	-	(11,488,125)
Increase in short-term loans to subsidiaries	-	-	(549,010,000)	(476,888,848)
Cash received from repayment of short-term loans to subsidiaries	-	-	518,010,000	319,888,848
Acquisition of equipment and intangible assets	(93,655,710)	(169,072,035)	(65,483,100)	(77,426,411)
Proceeds from sales of equipment	4,935,070	2,403,535	2,821,070	1,164,183
Dividend income from financial assets	41,657,990	21,650,700	41,657,990	21,650,700
Dividend received from subsidiary	-	-	-	28,500,000
Interest income	6,530,798	16,031,802	21,103,313	24,733,665
Net cash flows from (used in) investing activities	121,940,949	(23,067,288)	129,572,074	(54,341,503)
Cash flows from financing activities				
Dividend paid	(165,966,086)	(110,196,934)	(165,966,086)	(110,196,934)
Dividend of the subsidiaries paid to non-controlling interest	-	(1,500,004)	-	-
Cash paid under lease agreements	(14,994,881)	(14,951,634)	(8,526,916)	(8,503,777)
Net cash flows used in financing activities	(180,960,967)	(126,648,572)	(174,493,002)	(118,700,711)
Net increase (decrease) in cash and cash equivalents	30,996,341	(2,431,326)	19,662,459	(6,971,357)
Cash and cash equivalents at beginning of year	29,894,498	32,325,824	14,995,279	21,966,636
Cash and cash equivalents at end of year	60,890,839	29,894,498	34,657,738	14,995,279
Supplemental cash flows information				
Non-cash items consist of:				
Change status of associated company to subsidiary	-	9,297	-	9,297

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



Notes to consolidated financial statements

Lee Feed Mill Public Company Limited and its subsidiaries

For the year ended 31 December 2021

1. General information

1.1 Corporate information

Lee Feed Mill Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The major shareholder is Leelasithorn family. The Group is principally engaged in (1) the manufacturer and distribution of animal feed (2) crop drying, silo business and the distribution of raw materials for animal feed manufacture (3) experimental farming and (4) plant breeding farming. The Company's registered address is 33/137 Surawong Road, Suriyawong, Bangrak, Bangkok.

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Lee Feed Mill Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") which are incorporate in Thailand (Collectively as "the Group"):



(Unit: Million Baht)

Company's name	Nature of business	Paid-up capital		Percentage of shareholding	
		2021	2020	2021 (%)	2020 (%)
Lee Pattana Feed Mill Co., Ltd.	Producing and distributing animal feed, and distribution of raw materials for animal feed manufacture	200	200	95	95
Lee Pattana Agro Silo Co., Ltd. (99.99% held by Lee Pattana Feed Mill Co., Ltd.)	Crop drying, Silo business and distribution of raw materials for animal feed	150	150	95	95
P A F (2020) Co., Ltd.	Distributing pet feed	25	25	100	100
Bodhi Ngarm Sea Farm Co., Ltd.	Rental farming	5	5	100	100

- b) The Group is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.



The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received, excluding value added tax, of goods supplied after deducting discounts to customers.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset net of the allowance for expected credit loss (if any).

Dividends

Dividends are recognised when the right to receive the dividends is established.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.



4.3 Inventories

Finished goods and work in process are valued at the lower of average cost, and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, packing materials, spare parts and factory supplies and raw materials used in farming are valued at the lower of average cost or net realisable value and are charged to production costs whenever consumed.

4.4 Agriculture

The Group's biological assets are breeder pigs, piglets, laying ducks, aquatic animals, teak and eucalyptus which are measured at their fair value less costs to sell.

The fair value of breeder pigs is determined based on discounted cash flows. Piglets, laying ducks, aquatic animals, teak and eucalyptus are determined based on fair value less estimated selling costs. Gains or losses on changes in fair value of biological asset are recognised in profit or loss.

In case the fair value cannot be measured reliably, this biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, the Group shall measure it at its fair value less costs to sell.

4.5 Investments

Investment in associated company is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associated company are accounted for in the separate financial statements using the cost method. The Company performs impairment reviews in respect of the investment whenever there is an indication that it may be impaired.

4.6 Investment properties

Investment properties (land awaiting sales) are measured initially at cost, including transaction costs. Subsequent to the initial recognition, land is stated at fair value. Any gain or loss arising from changes in the value of land is recognised in profit or loss when incurred.

On disposal of land, the difference between the net disposal proceeds and the carrying amount of land is recognised in profit or loss in the period when land is derecognised.

4.7 Property, plant and equipment/Depreciation

Land and land improvement is stated at revalued amount. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land and land improvement is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair value. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at the end of reporting period.



Differences arising from the revaluation are dealt with in the financial statements as follows:

- When land and land improvement carrying amount is increased as a result of a revaluation of the Group's land and land improvement, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on land". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When land and land improvement carrying amount is decreased as a result of a revaluation of the Group's land and land improvement, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on land" in respect of the same assets.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and constructions	10 - 20 years
Machinery and equipment	5 - 15 years
Furniture and office equipment	5 years
Motor vehicles	5 years

Depreciation is included in profit or loss.

No depreciation is provided on land and land improvement and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Intangible assets - computer software

Computer software is initially recognised at cost. Following the initial recognition, computer software is carried at cost less any accumulated amortisation and allowance for loss on impairment of assets (if any).

Computer software is amortised on a systematic basis over the economic useful lives of 5 - 10 years, the straight-line basis and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end.

The amortisation expense is charged to profit or loss.

No amortization is provided on computer software under installation.



4.9 Leases

At inception of contract, the Group assesses whether the contract is a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group recognises right-of-use assets and lease liabilities for all leases. At the date the underlying asset is available for use (the commencement date of the lease). However, the Group recognises rental expenses on a straight-line basis over the lease term not more than 12 months or leases of low-value assets.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, allowance for impairment losses (if any), and adjusted for remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the lease term or estimated useful lives of the asset, if ownership of the leased asset is transferred to the Group at the end of the lease term as follows.

Land and buildings	2 - 6 years
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Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change of the lease.

4.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated company, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.



Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in profit or loss.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of its property, plant and equipment, right-of-use assets and computer software whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However, in cases where land and land improvement was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, a reversal of that impairment loss is recognised in profit or loss but shall not exceed the impairment loss was previously recognised in profit or loss, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and contributions of the Group are recognised as expenses when incurred.



Defined benefit plans and other long-term employee benefits

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treat these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.



At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") (however, the Group does not have FVOCI) and fair value through profit or loss ("FVTPL"). The classification of financial assets at the initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows. The cash flows are solely payments of principal and interest on the principal amount outstanding complied with the period specified in the contract.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net change in fair value including interest income recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group does not irrevocable elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

The Group's financial liabilities are initial recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost, except for derivative liabilities. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.



Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have been expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control over it.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group recognises an allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.17 Derivatives

The Group uses derivatives, such as currency forward contracts to hedge its foreign currency risks. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets or financial liabilities by considering the fair value of the derivatives. Derivatives are presented as non-current assets or liabilities and current assets or liabilities by considering the remaining maturity with more than or less than 12 months respectively.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.



All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land at revalued amounts. Such amounts are determined by the independent professional appraiser using the market approach for land. The valuation involves certain assumptions and estimates as described in Note 15 to the consolidated financial statements.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and to record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.



6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	160	105	Comparable with market price
Interest income	-	-	15	8	5.88% to 6.88% per annum
Dividend income	-	-	-	29	Announced rate
Purchase of goods	-	-	191	57	Comparable with market price
Rental expenses	-	-	1	1	Contract price
<u>Transactions with related companies</u>					
Rental and service expenses	16	15	8	7	Contract price
Acquisition of investment in subsidiary	-	1	-	1	Agreed price
<u>Transactions with management</u>					
Acquisition of investment in subsidiary	-	2	-	2	Agreed price

As at 31 December 2021 and 2020, the balances of the accounts between the Group and those related companies were as follows:



(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade and other receivables - related parties</u> (Note 8)				
Subsidiaries	-	-	4,003	4,590
<u>Short-term loans to related parties</u>				
Subsidiary	-	-	310,000	279,000
<u>Trade and other payables - related parties</u> (Note 17)				
Subsidiaries	-	-	3,703	4,688
<u>Lease liabilities - related parties</u>				
Subsidiary	-	-	-	1,109
Related companies (related by common shareholders)	22,975	36,002	8,950	15,386
Total lease liabilities - related parties	22,975	36,002	8,950	16,495

Short-term loans to related parties

(Unit: Thousand Baht)

	Related by	Separate financial statements			
		Balance as at 31 December 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2021
Lee Pattana Feed Mill Co., Ltd.	Subsidiary	279,000	548,000	(517,000)	310,000
P A F (2020) Co., Ltd.	Subsidiary	-	1,010	(1,010)	-
		279,000	549,010	(518,010)	310,000



Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	11,646	11,775	6,105	6,243
Post-employment benefits	1,080	1,087	459	466
Total	12,726	12,862	6,564	6,709

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 29 to the consolidated financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash	974	1,114	594	640
Bank deposits	59,917	28,780	34,064	14,355
Total	60,891	29,894	34,658	14,995

As at 31 December 2021, bank deposits in saving accounts carried interest rates between 0.05 to 0.25 percent per annum (2020: between 0.05 to 0.40 percent per annum).



8. Trade and other receivables

(Unit: Thousand Baht)

Trade receivables - related parties (Note 6)

Age on the basis of due dates

Not yet due

Trade receivables - unrelated parties

Age on the basis of due dates

Not yet due

Past due

Up to 3 months

3 - 6 months

6 - 12 months

Over 12 months

Total

Less: Allowance for expected credit losses

Total trade receivables - unrelated parties, net

Total trade receivables - net

Other receivables

Other receivable - unrelated parties

Other receivable - related parties (Note 6)

Interest receivable - financial institutions

Interest receivable - related parties (Note 6)

Total other receivables

Total trade and other receivables - net

Consolidated financial statements		Separate financial statements	
2021	2020	2021	2020
-	-	3,361	3,952
173,908	136,845	63,844	63,685
46,596	62,714	29,559	44,156
23,589	6,963	21,878	6,199
11,345	7,106	11,326	6,228
53,570	51,707	46,360	44,705
309,008	265,335	172,967	164,973
(40,502)	(35,244)	(34,768)	(28,306)
268,506	230,091	138,199	136,667
268,506	230,091	141,560	140,619
-	673	-	82
-	-	493	547
418	1,465	366	1,395
-	-	149	91
418	2,138	1,008	2,115
268,924	232,229	142,568	142,734

The normal credit term is 1 to 120 days.



Set out below is the movements in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
As at 1 January 2021	35,244	31,180	28,306	23,511
Provision for expected credit losses	6,278	4,505	6,967	4,923
Amount written off	(1,020)	(441)	(505)	(128)
As at 31 December 2021	40,502	35,244	34,768	28,306

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	112,619	101,098	(1,001)	(1,898)	111,618	99,200
Work in process	1,283	154	-	-	1,283	154
Raw materials	482,257	458,082	-	-	482,257	458,082
Packing materials	45,944	36,648	(1,612)	(1,295)	44,332	35,353
Spare parts and factory supplies	74,995	70,898	-	-	74,995	70,898
Spare parts and factory supplies in transit	4,284	4,109	-	-	4,284	4,109
Raw materials in transit	46,827	69,094	-	-	46,827	69,094
Raw materials used in farming	1,196	1,334	-	-	1,196	1,334
Total	769,405	741,417	(2,613)	(3,193)	766,792	738,224



(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories – net	
	2021	2020	2021	2020	2021	2020
Finished goods	53,415	57,830	(93)	(87)	53,322	57,743
Work in process	539	154	-	-	539	154
Raw materials	178,618	139,026	-	-	178,618	139,026
Packing materials	21,591	14,660	(443)	(224)	21,148	14,436
Spare parts and factory supplies	40,270	36,959	-	-	40,270	36,959
Spare parts and factory supplies in transit	1,872	3,137	-	-	1,872	3,137
Raw materials in transit	21,496	26,517	-	-	21,496	26,517
Raw materials used in farming	1,196	1,334	-	-	1,196	1,334
Total	318,997	279,617	(536)	(311)	318,461	279,306

During the current year, the Group reduced cost of inventories by Baht 0.32 million (2020: Baht 0.82 million) (the Company only: Baht 0.22 million (2020: Baht 0.17 million)), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 0.90 million (2020: Baht 0.68 million) (the Company only: Nil (2020: Baht 0.11 million)), and reduced the amount of inventories recognised as expenses during the year.

10. Biological assets

(Unit: Thousand Baht)

	Consolidated /Separate financial statements	
	2021	2020
Current biological assets	11,171	6,220
Non-current biological assets	20,502	20,961
Total biological assets	31,673	27,181

Biological assets comprise breeder pigs, piglets, laying ducks, aquatic animals, teak and eucalyptus. The Group classifies the biological assets that have farming cycle shorter than 1 year as current biological assets and classified the biological assets that have farming cycle longer than 1 year as non-current biological assets.



Movements in the biological assets account during the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2021	2020
Net book value at beginning of year	27,181	46,786
Increase due to purchase/raising	37,700	31,785
Decrease due to sales/harvest	(33,823)	(43,909)
Gain (loss) arising from changes in fair value of biological assets for the year	615	(7,481)
Net book value at end of year	31,673	27,181

11. Other current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Debt instruments at amortised cost</u>				
Fixed deposits and certificate of deposits	341,436	494,594	324,436	475,594
Government bonds	406,190	499,476	406,190	499,476
Total	747,626	994,070	730,626	975,070
<u>Financial assets at fair value through profit or loss</u>				
Equity instruments of listed companies	54,462	41,309	54,462	41,309
Unit trusts in mutual funds	239,162	126,262	239,162	126,262
Derivative corporate bonds	-	20,040	-	20,040
Total	293,624	187,611	293,624	187,611
Total other current financial assets - net	1,041,250	1,181,681	1,024,250	1,162,681



During the year, the movements of financial assets at fair value through profit or loss are as follows:

(Unit: Thousand Baht)

	2021			
	Consolidated financial statements			
	Equity instruments of listed companies	Unit trusts in mutual funds	Derivative corporate bonds	Total
Net book value as at 1 January 2021	41,309	126,261	20,040	187,610
Purchases during the year	103,347	1,839,000	-	1,942,347
Disposals during the year	(111,375)	(1,727,000)	-	(1,838,375)
Maturity	-	-	(20,000)	(20,000)
Gain (loss) on sales during the year	(27,580)	979	-	(26,601)
Gain (loss) on fair value adjustments	48,761	(78)	(40)	48,643
Net book value as at 31 December 2021	54,462	239,162	-	293,624

(Unit: Thousand Baht)

	2020			
	Consolidated/Separate financial statements			
	Equity instruments of listed companies	Unit trusts in mutual funds	Derivative corporate bonds	Total
Net book value as at 1 January 2020	58,343	86,814	-	145,157
Purchases during the year	20,030	949,000	20,000	989,030
Disposals during the year	(28,479)	(910,000)	-	(938,479)
Gain (loss) on sales during the year	(10,009)	286	-	(9,723)
Gain on fair value adjustments	1,424	162	40	1,626
Net book value as at 31 December 2020	41,309	126,262	20,040	187,611



12. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements	
	2021	2020
<u>Debt instruments at amortised cost</u>		
Held-to-maturity private debt securities	10,000	10,000
<u>Equity instrument at fair value through profit or loss</u>		
Non-listed equity instruments		
M.N. Inter Holding Co., Ltd.	16,780	16,780
Wall Street Tullett Liberty Ltd.	945	945
Other	600	600
Gain on fair value adjustment	5,655	4,699
Total equity instrument at fair value through profit or loss	23,980	23,024
Total other non-current financial asset	33,980	33,024

13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Million Baht)

Company's name	Cost		Dividend received during the year	
	2021	2020	2021	2020
Lee Pattana Feed Mill Co., Ltd.	190	190	-	29
P A F (2020) Co., Ltd.	21	21	-	-
Bodhi Ngarm Sea Farm Co., Ltd.	5	5	-	-
Total	216	216	-	29



13.2 Change in status of investment from associate to subsidiary

On 14 May 2020, the Board of Directors of the Company approved the acquisition of 1,375,000 shares, or a total of approximately Baht 11.49 million, of Pattana Agro Future Company Limited ("PAF"). Following the share acquisition, the Company held approximately 99.5% of the total issued and paid-up shares of PAF resulted in status change from an associated company to a subsidiary.

On 18 June 2020, the Company received 1,375,000 ordinary shares of PAF and made full payment for these shares.

In June 2020, the Company measured fair value of the identifiable assets acquired and liabilities as summed at the acquisition date. The value of the assets and liabilities of PAF at the acquisition date are as summarised below:

(Unit: Thousand Baht)

	Fair value	Carrying value
Cash and cash equivalents	10,674	10,674
Other current financial assets	10,208	10,208
Other current assets	59	59
Other current liabilities	(50)	(50)
Total identifiable net assets	20,891	20,891
Fair value of non-controlling interests	(104)	
Net assets of the subsidiary	20,787	
Fair value of interest prior to the acquisition date	9,297	
Cash paid for purchase of investment in subsidiary	11,488	
Less: Net assets of the subsidiary	(20,787)	
Gain on bargain purchase subsidiary	(2)	
Cash paid for purchase of investment in subsidiary	11,488	
Less: Cash and cash equivalents of the subsidiary	(10,674)	
Net cash paid for purchase of investment in subsidiary	814	



On 1 July 2020, the Extraordinary General's meeting held on of PAF passed a resolution to change its name to "P A F (2020) Co., Ltd". On 27 October 2020, PAF register the change of its name with the Ministry of Commerce.

14. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	14,004	14,004	13,755	13,755
Net gain from a fair value adjustment	836	-	773	-
Balance at end of year	14,840	14,004	14,528	13,755

Investment properties are land awaiting for sales. Their fair value is determined based on the valuation performed by an independent professional appraiser, using the market approach with the same characteristic in market or same location respectively.

Key assumptions used in the valuation are summarised below:

	Consolidated/Separate financial statements	Result to fair value whereas an increase in assumption value
Price per square wah (Baht)	2,000 - 150,000	Increase in fair value



15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis	Cost basis					Total
	Land and land improvements	Buildings and buildings improvements	Machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Assets under installations and constructions	
Cost / Revalued amount:							
As at 1 January 2020	389,141	523,057	908,070	178,210	139,231	61,904	2,199,613
Additions	7,235	-	5,274	4,227	6,060	141,179	163,975
Disposals	-	-	(9,069)	(123)	(5,294)	-	(14,486)
Transfers	-	-	-	963	-	(2,671)	(1,708)
As at 31 December 2020	396,376	523,057	904,275	183,277	139,997	200,412	2,347,394
Additions	-	2,802	8,441	3,376	13,815	59,848	88,282
Disposals	-	(161)	-	(183)	(12,683)	-	(13,027)
Transfers	-	398	680	-	-	6,567	7,645
Revaluations	112,068	-	-	-	-	-	112,068
As at 31 December 2021	508,444	526,096	913,396	186,470	141,129	266,827	2,542,362
Accumulated depreciation:							
As at 1 January 2020	-	417,773	805,327	163,002	101,871	-	1,487,973
Depreciation for the year	-	12,879	17,230	6,662	14,201	-	50,972
Depreciation on disposals	-	-	(9,069)	(123)	(4,885)	-	(14,077)
As at 31 December 2020	-	430,652	813,488	169,541	111,187	-	1,524,868
Depreciation for the year	-	12,727	17,716	6,278	12,924	-	49,645
Depreciation on disposals	-	(161)	-	(183)	(12,046)	-	(12,390)
As at 31 December 2021	-	443,218	831,204	175,636	112,065	-	1,562,123
Net book value:							
As at 31 December 2020	396,376	92,405	90,787	13,736	28,810	200,412	822,526
As at 31 December 2021	508,444	82,878	82,192	10,834	29,064	266,827	980,239
Depreciation for the year							
2020 (Baht 35 million included in manufacturing cost, and the balance in selling and administrative expenses)							50,972
2021 (Baht 35 million included in manufacturing cost, and the balance in selling and administrative expenses)							49,645



(Unit: Thousand Baht)

	Separate financial statements						
	Revaluation basis	Cost basis					Total
	Land and land improvements	Buildings and buildings improvements	Machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Assets under installations and constructions	
Cost / Revalued amount:							
As at 1 January 2020	172,718	319,048	400,231	110,294	84,344	13,997	1,100,632
Additions	-	-	1,801	2,178	1,588	70,179	75,746
Disposals	-	-	-	(88)	(3,881)	-	(3,969)
Transfer	-	-	-	482	-	(482)	-
As at 31 December 2020	172,718	319,048	402,032	112,866	82,051	83,694	1,172,409
Additions	-	2,803	2,254	2,153	10,493	47,326	65,029
Disposals	-	(161)	-	(183)	(7,395)	-	(7,739)
Transfer	-	398	140	-	-	1,983	2,521
Revaluations	103,705	-	-	-	-	-	103,705
As at 31 December 2021	276,423	322,088	404,426	114,836	85,149	133,003	1,335,925
Accumulated depreciation:							
As at 1 January 2020	-	264,891	374,818	102,755	60,618	-	803,082
Depreciation for the year	-	6,312	4,512	3,193	8,840	-	22,857
Depreciation on disposals	-	-	-	(88)	(3,578)	-	(3,666)
As at 31 December 2020	-	271,203	379,330	105,860	65,880	-	822,273
Depreciation for the year	-	6,264	4,629	3,031	7,821	-	21,745
Depreciation on disposals	-	(161)	-	(183)	(7,190)	-	(7,534)
As at 31 December 2021	-	277,306	383,959	108,708	66,511	-	836,484
Net book value:							
As at 31 December 2020	172,718	47,845	22,702	7,006	16,171	83,694	350,136
As at 31 December 2021	276,423	44,782	20,467	6,128	18,638	133,003	499,441
Depreciation for the year							
2020 (Baht 13 million included in manufacturing cost, and the balance in selling and administrative expenses)							22,857
2021 (Baht 13 million included in manufacturing cost, and the balance in selling and administrative expenses)							21,745

In 2021, the Group arranged for an independent professional appraiser to appraise the value of their land using the market approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as spaces, location, environment, and highest best use. The most significant input into this valuation approach is price per square wah and size of land.



The asset revaluation surplus net of applicable deferred income tax is credited to other components of shareholder's equity.

Key assumptions used in the valuation are summarised below:

	Consolidated financial statements	Separate financial statements	Result to fair value whereas an increase in assumption value
Price per square wah (Baht)	125 - 6,000	125 - 2,000	Increase in fair value

Had the land been carried in the financial statements on a historical cost basis, their net book values as of 31 December 2021 and 2020 would have been as follows:

(Unit: Thousand Baht)

As at	Consolidated financial statements	Separate financial statements
31 December 2021	104,747	69,253
31 December 2020	104,747	69,253

As at 31 December 2021, certain plant and equipment had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,245 million (2020: Baht 1,229 million) (the Company only: Baht 706 million (2020: Baht 697 million)).

16. Intangible asset – computer software

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Computer software under installations	Total	Computer software	Computer software under installations	Total
As at 31 December 2020						
Cost	15,553	7,645	23,198	15,001	2,521	17,522
Less: Accumulated amortisation	(7,623)	-	(7,623)	(7,435)	-	(7,435)
Net book value	7,930	7,645	15,575	7,566	2,521	10,087
As at 31 December 2021						
Cost	15,553	7,645	23,198	15,001	2,521	17,522
Transfer out	-	(7,645)	(7,645)	-	(2,521)	(2,521)
Less: Accumulated amortisation	(9,040)	-	(9,040)	(8,796)	-	(8,796)
Net book value	6,513	-	6,513	6,205	-	6,205



A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	15,575	10,191	10,087	9,772
Acquisition of computer software	-	5,097	-	1,681
Transfers in (out)	(7,645)	1,708	(2,521)	-
Amortisation	(1,417)	(1,421)	(1,361)	(1,366)
Net book value at end of year	6,513	15,575	6,205	10,087

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade payables - unrelated parties	190,471	145,796	88,052	72,651
Trade payables - related parties (Note 6)	-	-	3,703	4,688
Other accounts payable	16,423	18,256	9,166	6,968
Accrued expenses	39,616	39,107	19,920	18,870
Total trade and other payables	246,510	203,159	120,841	103,177

18. Leases

The Group has lease contracts for various items of property and plant used in its operations. Leases generally have lease terms between 2 - 6 years.



a) Right-of-use assets

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 January 2020	49,020	24,371
Depreciation for the year	(13,509)	(7,793)
As at 31 December 2021	35,511	16,578
Depreciation for the year	(13,508)	(7,794)
31 December 2021	22,003	8,784

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease payments	25,036	40,032	9,872	18,399
Less: Deferred interest expenses	(1,679)	(3,437)	(540)	(1,310)
Total	23,357	36,595	9,332	17,089
Less: Portion due within one year	(10,108)	(13,354)	(4,578)	(7,803)
Lease liabilities - net of current portion	13,249	23,241	4,754	9,286

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	36,595	49,020	17,089	24,371
Repayments	(13,238)	(12,425)	(7,757)	(7,282)
Balance at end of year	23,357	36,595	9,332	17,089



A maturity analysis of lease payments is disclosed in Note 31.2 to the consolidated financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	13,508	13,509	7,794	7,793
Interest expense on lease liabilities	1,757	2,527	770	1,221

d) Other

The Group has total cash outflows for leases for the year ended 31 December 2021 of Baht 15 million (2020: Baht 15 million) (the Company only: Baht 9 million (2020: Baht 9 million)).

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire and other long-term employee benefits are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provision for long-term post employee benefits at beginning of year	109,874	101,521	55,140	51,124
Included in profit or loss:				
Current service cost	8,840	8,923	4,692	4,619
Interest cost	1,522	1,557	831	815
Benefits paid during the year	(3,821)	(2,127)	(2,005)	(1,418)
Provision for long-term post employee benefits at end of year	116,415	109,874	58,658	55,140
Provision for other long-term employee benefits at end of year	615	481	325	258
Provision for long-term employee benefits at end of year	117,030	110,355	58,983	55,398



The Group expects to pay Baht 8 million of long-term employee benefits during the next year (2020: Baht 11 million) (the Company only: Baht 5 million (2020: Baht 4 million)).

As at 31 December 2021, the weighted average durations of the liabilities for long-term employee benefit are 10 years (2020: 10 years) (the Company only: 11 years (2020: 11 years)).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	1.50 - 1.61	1.50 - 1.61	1.61	1.61
Salary increase rate	1.50 - 3.00	1.50 - 3.00	1.50 - 3.00	1.50 - 3.00
Turnover rate	1.00 - 35.00	1.00 - 35.00	1.00 - 35.00	1.00 - 35.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefits obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

	As at 31 December 2021			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(7)	8	(4)	4
Salary increase rate	12	(10)	6	(5)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(2)	2	(1)	1



(Unit: Million Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(7)	8	(4)	4
Salary increase rate	11	(9)	6	(5)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(2)	2	(1)	1

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

21. Other components of shareholders' equity

Other components of shareholders' equity comprise the revaluation surplus on land. This revaluation surplus on land can neither be offset against deficit nor used for dividend payment.

22. Finance income

(Unit: Thousand Baht)

	Consolidated financial statement		Separate financial statements	
	2021	2020	2021	2020
Interest income on debt instruments measured at amortised cost	5,333	14,197	19,981	22,113
Interest received from debt instruments measured at fair value to profit or loss	151	-	151	-
Total	5,484	14,197	20,132	22,113



23. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Salary, wages and other employee benefits	309	303	155	152
Depreciation and amortisation	65	64	31	31
Raw materials and consumables used	3,248	2,030	1,334	925
Purchases of finished goods	-	-	52	39
Changes in inventories of finished goods and work in process	12	(13)	(4)	(3)

24. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	20,752	46,686	19,873	36,924
Withholding tax write-off of previous year	-	2	-	-
Adjustment in respect of income tax of previous year	52	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	3,259	(7,181)	9,335	(5,868)
Tax expenses reported in profit and loss	24,063	39,507	29,208	31,056



The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax on gain from revaluation of land and land improvements	22,081	-	20,741	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit before tax	159,340	228,841	180,774	210,869
Applicable tax rate	15%, 20%	15%, 20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	31,866	45,819	36,155	42,174
Withholding tax write-off of previous year	-	2	-	-
Adjustment in respect of income tax of previous year	52	-	-	-
Temporary differences which were not utilised and not recognised as deferred tax assets during the year	305	-	-	-
Temporary deference in previous year which were recognised as deferred tax assets during the year	515	(1,754)	1,204	(1,253)
Effect of:				
Exemption of income	(8,342)	(4,242)	(8,332)	(9,941)
Non-deductible expenses	455	486	455	486
Additional expense deduction allowed	(660)	(819)	(274)	(410)
Other	(128)	15	-	-
Total	(8,675)	(4,560)	(8,151)	(9,865)
Tax expenses reported in profit and loss	24,063	39,507	29,208	31,056



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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Statements of financial position		Statements of comprehensive income	
	As at 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Deferred tax assets (liabilities)				
Unrealised loss on change in values of financial assets	1,774	11,511	(9,737)	(317)
Allowance for expected credit losses	4,847	4,305	542	2,514
Allowance for diminution in value of inventories	523	639	(116)	28
Unrealised fair value gain on derivative corporate bond	-	(8)	8	(8)
Unrealised fair value gain on non-listed equity instruments	(1,131)	(940)	(191)	(940)
Revaluation surplus on investment properties	(157)	10	(167)	-
Right-of-use assets	(4,401)	(7,363)	2,962	(7,363)
Provision for long-term employee benefits	23,406	22,071	1,335	1,696
Fair value of for biological assets	(3,010)	(2,887)	(123)	3,992
Revaluation surplus on land	(80,407)	(58,326)	(22,081)	-
Unused tax loss	5,137	-	5,137	-
Lease liabilities	4,671	7,580	(2,909)	7,580
Deferred tax relating to origination and reversal of temporary differences			(25,340)	7,182
Deferred tax assets - net	(48,748)	(23,408)		
Presented as follows:				
Deferred tax assets	495	2,384		
Deferred tax liabilities	(49,243)	(25,792)		
Total	(48,748)	(23,408)		

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25. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issued during the year.

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit for the year (Thousand Baht)	136,079	187,052	151,567	179,813
Weighted average number of ordinary shares (Thousand shares)	922,180	922,180	922,180	922,180
Earnings per share (Baht/share)	0.15	0.20	0.16	0.19

26. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Directors.

The Group's business operations involve four principal segments: (1) the manufacture and distribution of animal feed (2) crop drying, silo business and the distribution of raw materials for animal feed manufacture (3) experimental farming and (4) crop farming. Sales, operating profits and assets are related to the manufacture and distribution of animal feed business. Therefore, the reportable single operating segment of the Group is manufacture and distribution of animal feed.

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2021	2020
Revenue from external customers		
Thailand	3,714,316	2,809,575
Lao People's Democratic Republic	16,009	21,110
Others	6,568	5,577
Total	3,736,893	2,836,262



Major customers

For the year 2021, the Group has revenue from one major customer in amount of Baht 1,051 million. (2020: The Group has no major customer with revenue of 10 percent or more of an entity's revenues.)

27. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributes to the fund monthly at the rates of 3 to 5 percent of basic salary. The fund, which is managed by SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2021, the Group contributed Baht 7 million (2020: Baht 7 million) to the fund (the Company only: Baht 4 million (2020: Baht 4 million)).

28. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividend on the unappropriated retained earnings for 2019	Board of Director Meeting of the Company on 7 April 2020	110	0.12
Total dividend paid in 2020		110	0.12
Final dividends for 2020	Annual General Meeting of the shareholders on 24 April 2021	166	0.18
Total dividend paid in 2021		166	0.18

29. Commitments and contingent liabilities

As at 31 December 2021 and 2020 the Group had commitments as follows.



Capital commitments

Acquisition equipment

Thousand Baht

Raw material purchase commitments

Thousand USD

Thousand Euro

Consolidated financial statements		Separate financial statements	
2021	2020	2021	2020
8,719	23,884	2,900	13,397
733	1,679	546	1,219
142	-	128	-

Guarantees

As at 31 December 2021 and 2020, the Group had outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the ordinary course of their businesses.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Bank guarantees to guarantee utilities	8,743	9,441	4,306	5,004
Other	1,782	60	1,782	60
Total	10,525	9,501	6,088	5,064

The Group has been granted various types of credit facilities, by several financial institutions of which Baht 969 million (2020: Baht 1,026 million) (the Company only: Baht 759 million (2020: Baht 771 million)) has not been utilised. Most of the facilities have been cross guaranteed by the Group.

30. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:



(Unit: Million Baht)

Consolidated financial statements			
As at 31 December 2021			
Level 1	Level 2	Level 3	Total

Assets measured at fair value

Financial assets measured at fair value through profit or loss

Equity instruments of listed companies	54	-	-	54
Unit trusts in mutual funds	-	239	-	239
Non-listed equity instruments	-	-	24	24
Investment properties	-	15	-	15
Lands	-	508	-	508
Biological assets	-	-	32	32

(Unit: Million Baht)

Consolidated financial statements			
As at 31 December 2020			
Level 1	Level 2	Level 3	Total

Assets measured at fair value

Financial assets measured at fair value through profit or loss

Equity instruments of listed companies	41	-	-	41
Unit trusts in mutual funds	-	126	-	126
Derivative corporate bonds	-	-	20	20
Non-listed equity instruments	-	-	23	23
Investment properties	-	14	-	14
Lands	-	396	-	396
Biological assets	-	-	27	27



(Unit: Million Baht)

Assets measured at fair value

Financial assets measured
at fair value through profit or loss

	Level 1	Level 2	Level 3	Total
Equity instruments of listed companies	54	-	-	54
Unit trusts in mutual funds	-	239	-	239
Non-listed equity instruments	-	-	24	24
Investment properties	-	15	-	15
Lands	-	276	-	276
Biological assets	-	-	32	32

(Unit: Million Baht)

Assets measured at fair value

Financial assets measured
at fair value through profit or loss

	Level 1	Level 2	Level 3	Total
Equity instruments of listed companies	41	-	-	41
Unit trusts in mutual funds	-	126	-	126
Derivative corporate bonds	-	-	20	20
Non-listed equity instruments	-	-	23	23
Investment properties	-	14	-	14
Lands	-	173	-	173
Biological assets	-	-	27	27



31. Financial instruments

31.1 Derivatives not designated as hedging instruments

The Group uses forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally. As at the year ended, the Group no outstanding forward contracts.

31.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, investments and bank overdraft. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans and deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivable

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by collateral. In addition, the Group does not have high concentrations of credit risk since it has a large number of customers.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar credit risks. The Group classifies customer segments by customer type and customer rating.

Financial instrument and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board of Directors on an annual basis and also being updated throughout the year subject to the approval of the Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk company foreign currency risk and interest risk.



Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from purchase of goods that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year for hedge the foreign currency risk arising on the import of raw materials.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its loans. Most of the Group's financial assets and liabilities bear floating interest rate or fixed interest rate which are closed to the market rate. Therefore, the Groups' s interest risks are low.

Liquidity risk

The Group has assessed its liquidity risk as low. Since the Group can access to a sufficient variety of sources of funding.

31.3 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other receivable, and trade and other payable the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of debt securities approximates to market price, measured at amortised cost or by using the yield curve announced by the Thai Bond Market Association.
- c) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

During the current year, there were no transfers within the fair value hierarchy.

32. Capital management

The primary objective of the capital management of the Group is to ensure that they have appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 0.16:1 (2020: 0.15:1) and the Company's was 0.09:1 (2020: 0.09:1).

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.



Part 4: Certification of Information

The Company has reviewed information provided in this annual registration statement with the cautious, we hereby certify that such information is accurate, complete, true and has no misleading statement or omission of any material information which should be informed. Furthermore, we hereby certify that:

- (1) The financial statements and financial information summarized in the annual registration statement show accurate and complete material information on financial status, operational results and cash flow of the Company and its subsidiaries;
- (2) We are responsible for providing the Company with good information disclosure system to ensure that the Company has accurately and completely disclosed material information, both of the Company and its subsidiaries, including supervising to ensure compliance with such system;
- (3) We are responsible for providing the Company with good internal control system and supervising to ensure compliance with such system. We also reported the information on evaluation of the internal control system as at 24 February 2022 to the auditor and the Audit Committee, including substantial faults and changes in the internal control system as well as improper act which may affect the preparation of the financial reports of the Company and its subsidiaries.

In this regard, as evidence that all documents is of the exact documents certified by us are of the same set, we have authorized Mr.Nipon Leelasithorn to initial every pages of the documents. Any document bearing no signature of Mr.Nipon Leelasithorn shall not be treated as information certified by us.

Mr.Nipon Leelasithorn
Chairman of the Executive Director
and Managing Director

Mrs.Supaporn Chongvilaiwan
Director / Asst. Managing Director



Attachment 1 : Details of directors, executives, controlling persons

1

Mr. Visith Leelasithorn

Chairman of the Board of Directors

- Date of first appointment 16 August 1983
- Latest date of appointment 31 July 2020

Age

89

Education

Secondary School

Proportion of shareholding

-

Relationship with the executives

The father of Mr. Nipon Leelasithorn

Work Experiences

Period	Position	Company's Name	Business Type
1983 - Present	Chairman of the Board of Directors	Lee Feed Mill Pcl. and Lee Pattana Feed Mill Co.Ltd.	Producing and distributing animal feed
2004 - Present	Chairman of the Board of Directors	Lee Pattana Agro Silo Co.,Ltd	Crop drying
1983 - Present	Chairman of the Board of Directors	Wall Street Tower Co.,Ltd	Sales and leasing of property
1980 - Present	Chairman of the Board of Directors	Alliance Co.,Ltd.	Asset leasing



2

Mr.Nipon Leelasithorn

Chairman of the Executive Director / Managing Director

Member of the Nomination and Remuneration Committee

- Date of first appointment 16 August 1983
- Latest date of appointment 30 April 2019

Age

60

Education

- Master of Management at Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Directors Certification Program (DCP) by Thai Institute of Directors Association (IOD)
- Degree, The National Defence College of Thailand (NDC)

Proportion of shareholding

24.51

Relationship with the executives

The son of Mr.Visith Leelasithorn

Work Experiences

Period	Position	Company's Name	Business Type
1989 - Present	Chairman of the Executive Director Managing Director	Lee Feed Mill Pcl. and Lee Pattana Feed Mill Co.Ltd.	Producing and distributing animal feed
2004 - Present	Managing Director	Lee Pattana Agro Silo Co.,Ltd.	Crop drying
1990 - Present	Managing Director	P A F (2020) Co., Ltd.	Distributing pet feed
1983 - Present	Director	Wall Street Tower Co.,Ltd.	Sales and leasing of property
1985 - Present	Director	Asia Fiber Pcl.	Manufacture of technical and industrial textiles
2012 - Present	Managing Director	Bodhi Ngarm Sea Farm Co.,Ltd	Rental farming
2003 - Present	Chairman	Wall Street Tullett Prebon Securities Co.,Ltd.	Broker
1996 - Present	Chairman	Wall Street Tullett Prebon Co.,Ltd.	Broker / Intermediary

Social activities

Director	The compassion of The Princess Mother's Projects
Honor President	Young Thai Entrepreneurs Association (YTEA)
Consultant for the new generation of businessmen	Thai-Chinese Chamber of Commerce (YTCC)
Vice President	Kai-Sitthi Charity Foundation
Vice President	The Tio Chew Association of Thailand
Director	Poh Teck Tung Foundation
Director	Huachiew Chalermprakiet University Council



3

Mr.Karoon Chanmingporn

Director

- Date of first appointment 14 December 1989
- Latest date of appointment 28 April 2021
- Date to the resignation of Director 9 March 2022

Age

79

Education

Bachelor degree of Animal Husbandry, National Chung Hsing University (Taiwan)

Proportion of shareholding

0.11

Relationship with the executives

-

Work Experiences

Period	Position	Company's Name	Business Type
1989 - 2019	Executive Director / Deputy Managing Director	Lee Feed Mill Pcl. and Lee Pattana Feed Mill Co.Ltd.	Producing and distributing animal feed
2004 - 2019	Executive Director / Deputy Managing Director	Lee Pattana Agro Silo Co.,Ltd.	Crop drying
2012 - 2019	Executive Director / Deputy Managing Director	Bodhi Ngarm Sea Farm Co.,Ltd	Rental farming



4

Mrs. Supaporn Chongvilaiwan

Director / Asst. Managing Director of Accounting / Finance / IT Group

- Date of first appointment 16 May 1997
- Latest date of appointment 31 July 2020

Age

75

Education

- Bachelor degree of Accounting, Chulalongkorn University
- Directors Accreditation Program (DAP) by Thai Institute of Directors Association (IOD)

Proportion of shareholding

0.02

Relationship with the executives

-

Work Experiences

Period	Position	Company's Name	Business Type
1997 - Present	Director / Asst. Managing Director	Lee Feed Mill Pcl. and Lee Pattana Feed Mill Co.,Ltd	Producing and distributing animal feed
2004 - Present	Director / Asst. Managing Director	Lee Pattana Agro Silo Co.,Ltd	Crop drying
2004 - Present	Executive Director	P A F (2020) Co.,Ltd.	Distributing pet feed
2012 - Present	Executive Director	Bodhi Ngarm Sea Farm Co.,Ltd	Rental farming



5

Assoc.Prof.Dr.Somjai Phagaphasvivat

Chairman of the Audit Committee / Independent Director

- Date of first appointment 5 July 1991
- Latest date of appointment 28 April 2021

Age

75

Education

- Doctorado de Estado, Facultad de Ciencia Política, Universidad Complutense de Madrid, Spain 1982
- Diplome d'Etudes Supérieures, (Economic Integration), Université de Nancy, France 1975
- Licenciatura, Facultad de Ciencia Política y Económica, Universidad Complutense de Madrid, Spain 1973
- Bachelor of Arts, Chulalongkorn University 1966
- Directors Accreditation Program (DAP) by Thai Institute of Directors Association (IOD)

Proportion of shareholding

-

Relationship with the executives

-

Work Experiences

Period	Position	Company's Name	Business Type
1996 - Present	Member of the Audit Committee	Amarin Printing & Publishing Pcl.	Media and publishing
2006 - 2013	Chairman of the Audit Committee Independent Director	SEAFECO Pcl.	Real estate and construction
2013 - Present	Chairman	SEAFECO Pcl.	Real estate and construction
1991 - Present	Independent Director and Chairman of the Audit Committee	Lee Feed Mill Pcl.	Producing and distributing animal feed
2015 - Present	Independent Director and Member of the Audit Committee	Supalai Pcl.	Real estate and construction
2009 - 2019	Member of the Audit Committee	Thanachart Bank Pcl.	Commercial bank
2007 - 2016	Director and Chairman of the Audit Committee	The Krungthep Thanakom Co.,Ltd.	Transportation
2010 - 2011	Independent Director and Member of the Audit Committee	Siam City Bank Pcl.	Commercial bank
1982 - 2006	Associate Professor	Faculty of Political Science, Thammasat University	Educational institution



6

Mrs.Sununta Subhapholsiri

Member of the Audit Committee / Independent Director

Member of the Nomination and Remuneration Committee

- Date of first appointment 22 March 1984
- Latest date of appointment 28 April 2021

Age

63

Education

- Bachelor degree of Business Administration at Pine Mauor College, U.S.A
- Audit Committee Program by Thai Institute of Directors Association (IOD)
- Directors Accreditation Program (DAP) by Thai Institute of Directors Association (IOD)

Proportion of shareholding

0.13

Relationship with the executives

-

Work Experiences

Period	Position	Company's Name	Business Type
1999 - Present	Member of the Audit Committee	Lee Feed Mill Pcl.	Producing and distributing animal feed
1994 - Present	Independent Director	Lee Feed Mill Pcl.	Producing and distributing animal feed
1984 - Present	Director	Lee Feed Mill Pcl.	Producing and distributing animal feed
2015 - Present	Member of the Nomination and Remuneration Committee	Lee Feed Mill Pcl.	Producing and distributing animal feed
1990 - Present	Managing Director	Leather Mine Co.,Ltd.	Manufacturer of leather products



7

Mr. Busarin Vanaswas

Member of the Audit Committee / Independent Director

- Date of first appointment 29 November 1999
- Latest date of appointment 31 July 2020

Age

60

Education

- MBA Pepperdine University, U.S.A
- Directors Accreditation Program (DAP) by Thai Institute of Directors Association (IOD)
- Audit Committee Program by Thai Institute of Directors Association (IOD)

Proportion of shareholding

0.06

Relationship with the executives

-

Work Experiences

Period	Position	Company's Name	Business Type
1999 - Present	Member of the Audit Committee / Independent Director	Lee Feed Mill Pcl.	Producing and distributing animal feed
Present	Deputy Managing Director	Atlantic Laboratories Corp.,Ltd.	Manufacturing of pharmaceutical
Present	Deputy Managing Director	Atlantic Pharmaceutical Co.,Ltd.	Manufacturing of pharmaceutical
Present	Deputy Managing Director	Vana Corporation Ltd.	Distributing of pharmaceutical
2020 - Present	Director	The Federation of Thai Industries	Industrial Federation
2018 - Present	Chairman of Pharmaceutical Industry Group	The Federation of Thai Industries	Industrial Federation
2022 - Present	The Honorary Chairman of Pharmaceutical Industry Group	The Federation of Thai Industries	Industrial Federation
Present	Director	Thai Pharmaceutical Manufacturers Association	Pharmaceutical manufacturers association



8

Pol.Lt.Gen.Adisorn Nonsee

Chairman of the Nomination and Remuneration Committee Independent Director

- Date of first appointment 12 March 2010
- Latest date of appointment 30 April 2019

Age

72

Education

- Public administration, Royal Police cadet Academy
- Training Course for Advanced Police Administration, Class 14 (B.E. 2537)

Proportion of shareholding

-

Relationship with the executives

-

Work Experiences

Period	Position	Company's Name	Business Type
2006 - 2007	Provincial Police Region 6 Bureau	Royal Thai Police	Police officer
2007	Metropolitan Police Bureau	Royal Thai Police	Police officer
2007 - 2008	Central Investigation Bureau	Royal Thai Police	Police officer
2008 - 2009	The Office of Inspector General (Level 8)	Royal Thai Police	Police officer
2010 - Present	Independent Director	Lee Feed Mill Pcl.	Producing and distributing animal feed
2015 - Present	Chairman of the Nomination and Remuneration Committee	Lee Feed Mill Pcl.	Producing and distributing animal feed



9

Mr.Somsak Tiensriyuka

Director / Secretary of the Audit and Executive Committee / Accounting Director

- Date of first appointment 15 May 2015
- Latest date of appointment 30 April 2019

Age

64

Education

- MBA, Kasetsart University
- Directors Accreditation Program (DAP) by Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (AACP) Thai Institute of Directors Association (IOD)

Proportion of shareholding

0.01

Relationship with the executives

-

Work Experiences

Period	Position	Company's Name	Business Type
2000 - Present	Secretary of the Committee and the Executive Committee	Lee Feed Mill Pcl.	Producing and distributing animal feed
2015-Present	Director / Secretary of the Nomination and Remuneration Committee	Lee Feed Mill Pcl.	Producing and distributing animal feed
1984 - Present	Accounting Director	Lee Feed Mill Pcl.	Producing and distributing animal feed
2015 - Present	Director	Lee Pattana Feed Mill Co.,Ltd.	Producing and distributing animal feed
2015 - Present	Director	Lee Pattana Agro Silo Co.,Ltd	Crop drying
2015 - Present	Director	Bodhi Ngarm Sea Farm Co.,Ltd	Rental farming
2020 - Present	Director	P A F (2020) Co.,Ltd.	Distributing pet feed
2021 - Present	Independent Director and Audit Committee	Saintmed Pcl.	Distributor of medical devices



Attachment 2 : Details of the directors of subsidiaries as December 31st, 2021

Company Name	The Company and subsidiaries						
	LEE	LPFM	LPAS	BSF	PAF	WALL	ALL
1. Mr.Visith Leelasithorn	C	C	C	-	-	C	C
2. Mr.Nipon Leelasithorn	E / M / D	E / M / D	E / M / D	E / M / D	E / M / D	B	-
3. Mr.Karoon Chanmingporn	B	B	B	B	-	-	-
4. Mrs.Supaporn Chongvilaiwan	B / D	B / D	B / D	B / D	B / D	-	-
5. Mr.Somsak Tiensriyuka	B / D	B / D	B / D	B / D	B / D	-	-
6. Assoc.Prof.Dr.Somjai Phagaphasvivat	A / I	-	-	-	-	-	-
7. Mrs.Sununta Subhapholsiri	A / I	-	-	-	-	-	-
8. Mr.Busarin Vanaswas	A / I	-	-		-	-	-
9. Pol.Lt.Gen.Adisorn Nonsee	I	-	-		-	-	-

Meaning

- C = Chairman of the Board of Director
- E = Chairman of the Executive Director
- M = Managing Director
- D = Executive Director
- B = Director
- A = Audit Committee
- I = Independent Director

- 1. The Company
 - LEE = Lee Feed Mill Public Co.,Ltd.
- 2. The Subsidiaries
 - LPFM = Lee Pattana Feed Mill Co.,Ltd.
 - LPAS = Lee Pattana Agro Silo Co.,Ltd.
 - BSF = Bodhi Ngarm Sea Farm Co.,Ltd.
 - PAF = P A F (2020) Co.,Ltd.
- 3. The Associates
 - WALL = Wall Street Tower Co.,Ltd.
 - ALL = Alliance Co.,Ltd.



Attachment 3 : Details of the Heads of the Internal Audit and Compliance Units

- None -



Attachment 4 : Assets for business undertaking and details of assets appraisal

1. Significant characteristics of the Group's fixed assets for business undertaking

Most of fixed assets used in the business operation are owned by the Company and its subsidiaries except the headquarter located at 1st, 20th, 28th and 29th Floor, Wall Street Tower Building, Surawong Road, Bangrak, Bangkok. The Group has signed lease agreements with the parties which have any conflicts of interest. The characteristic of fixed assets owned by the Group that are used in business operation as of December 31, 2021 are as follows:

Type*	Book value*** (Million Baht)	Appraisal value** (Million Baht)
Land and land improvements - feed mill (Area 241 rai)	63	287
Land and land improvements - farm project (Area 1,489 rai)	42	221
Buildings and Buildings Improvement - feed mill	60	
Buildings and Buildings Improvement - farm project	23	
Machinery and vehicles - feed mill	386	
Machinery and vehicles - farm project	3	
Total	980	

Notes - * No assets of the Group are mortgaged as collateral or as any obligation.

- ** Appraisal value is appraised by using Market Approach by Siam Appraisal and Service Co.,Ltd., an independent appraiser during the year 2021.

- ***Book value is the net price of accumulated depreciation.



2. Details of assets appraisal

The Group's appraised assets are as follows:

No.	Ownership	Type	Location	Appraised by	Appraiser's name	Appraisal objective	Report date	Appraisal value (Million Baht)
1.	Lee Feed Mill Public Co.,Ltd.	Land	Saraburi	Siam Appraisal & Services Ltd.	Mr.Kittipong Krueasanit	Compliance with accounting standards	19 January 2022	161
2.	Lee Pattana Feed Mill Co.,Ltd.,	Land	Saraburi	Siam Appraisal & Services Ltd.	Mr.Athipol Satanupong	Compliance with accounting standards	24 December 2021	224
3.	Lee Feed Mill Public Co.,Ltd.	Land	Chanthaburi	Siam Appraisal & Services Ltd.	Mr.Athipol Satanupong	Compliance with accounting standards	3 December 2021	2
4.	Lee Feed Mill Public Co.,Ltd.	Land	Bangkok	Siam Appraisal & Services Ltd.	Mr.Athipol Satanupong	Compliance with accounting standards	1 December 2021	10
5.	Lee Feed Mill Public Co.,Ltd.	Land	Bangkok	Siam Appraisal & Services Ltd.	Mr.Athipol Satanupong	Compliance with accounting standards	30 November 2021	2
6.	Lee Feed Mill Public Co.,Ltd. and Bodhi Ngarm Sea Farm Co.,Ltd.	Land	Chanthaburi	Siam Appraisal & Services Ltd.	Mr.Athipol Satanupong	Compliance with accounting standards	30 November 2021	13
7.	Lee Feed Mill Public Co.,Ltd.	Land	Phetchabun	Siam Appraisal & Services Ltd.	Mr.Athipol Satanupong	Compliance with accounting standards	25 November 2021	47
8.	Lee Feed Mill Public Co.,Ltd.	Land	Phetchaburi	Siam Appraisal & Services Ltd.	Mr.Athipol Satanupong	Compliance with accounting standards	24 November 2021	63
9.	Lee Feed Mill Public Co.,Ltd.	Teak	Phetchabun	Siam Appraisal & Services Ltd.	Mr.Worrachit Surakarnwit	Compliance with accounting standards	21 December 2020	14



Attachment 5 : Unabridged policy and guidelines on corporate governance

1. Privacy Policy
<https://www.leepattana.com/web/download/file/85c597d6.pdf>
2. HR Privacy Policy
<https://www.leepattana.com/web/download/file/eda84da5.pdf>
3. Business Ethics
<https://www.leepattana.com/web/download/file/a2090bdf.pdf>
4. Anti-Corruption Policy
<https://www.leepattana.com/web/download/file/484e1de3.pdf>
5. Quality Management System And Environmental Management Policy Energy Conservaton Policy And Energy Management Sstem
<https://www.leepattana.com/web/download/file/e62691b5.pdf>
6. Company Regulation
<https://www.leepattana.com/web/download/file/52c87577.pdf>
7. Complaint Channel Policy And Complaints Handling Process
<https://www.leepattana.com/web/download/file/e5df7442.pdf>



Attachment 6 : Report of the Audit Committee

To Shareholders,

At the Board of Company has resolved to nominate the Board of Audit Committee which comprise three independent non-executives directors, namely Assoc. Prof. Dr.Somjai Phagaphasvivat as the Chairman of the Board of Audit Committee, Mrs.Sununta Subhapholsiri and Mr.Busarin Vanaswas as Audit Committees to perform the duties assigned from the Board of Company which is according to the provision of The Stock Exchange of Thailand.

During the year 2021, the Board of Audit Committee conducted 4 meetings by inviting auditors and management team. The significant tasks could be summarized as follows:

1. Reviewed the Financial Statements quarterly and Annual Financial Statements of 2021 and adequately listen the clear explanations and report from the management and auditor in related subjects, therefore, the Audit Committee were of a same opinion with the external auditors that said quarterly and annual financial statements were correct in essence in conformity with the generally accepted accounting principles.
2. Reviewed the disclosure of connected and related information between the company, subsidiaries and related companies and it was of opinion that such related information were adequately and correctly disclosed.
3. Reviewed the compliance with the laws and regulation of Securities and Stock Exchange and related laws with the company business and not found any point in the matter of not acting in accordance with the law of Securities of Stock Exchange and related laws with the company business.
4. Review the adequacy and appropriateness of internal control system of the company to ensure the Company's operation is efficiency and effectiveness, and provide the sustainable return to stakeholders. The Audit Committee provided some suggestions to improve the efficiency of internal operational systems.
5. Considered to propose the Board of Company for asking approval to appoint Auditor and audit fee for annual 2022 by proposing Auditor of EY office Limited who is independence and approved by the office of SEC.



6. Review of the Company's compliance with the SET's Principles of good corporate governance. The Company's adherence to these principles was commendable, and the Company disclosed all relevant matters in its Annual Report Form 56-1 One Report. It seeks, moreover, to establish within the organization a process of continuous development in corporate governance.
7. Ongoing monitoring of and consultation with management concerning general matters of management that could affect the Company. If any matter is found to significantly affect the Company's financial status or operational results, the Audit Committee is to make a report to the Board of Directors and promptly rectification.

In summary, the Audit Committee has fulfilled the responsibilities in compliance with the Audit Committee Charter that were approved by the Board of Directors and the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee is of the opinion that the Company has a proper financial reporting system to disclose its financial and operational information sufficiently, correctly and consistently. The Board of Director has the ultimate responsibility for an effective internal control and the adequacy of risk management system for ensuring compliance with laws and regulations and disclosure of related party transactions with transparency under the good corporate governance principles.

On behalf of the Audit Committee

Assoc.Prof.Dr.Somjai Phagaphasvivat
Chairman of the Audit Committee
24 February 2022





บริษัท สี่พัฒนาผลิตภัณฑ์ จำกัด (มหาชน)

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