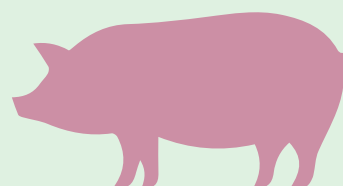
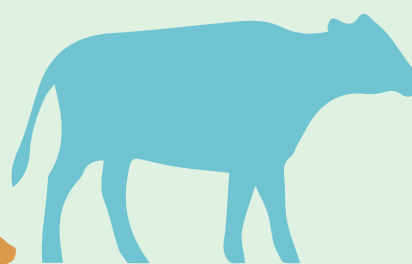




บริษัท สัตว์พัฒนาผลิตภัณฑ์ จำกัด (มหาชน)
LEE FEED MILL PUBLIC COMPANY LIMITED



ANNUAL REPORT 2022

FORM 56-1
ONE REPORT

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**Quality and standard
development to achieve
sustainability**

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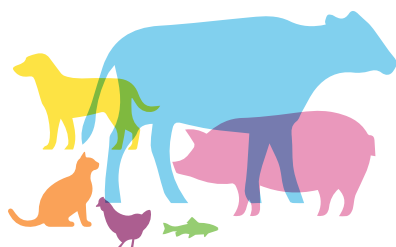
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The Board of Directors of Lee Feed Mill Public Company Limited



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Mr.Nipon Leelasithorn

Director and Chairman of the
Executive Director and
Managing Director

1

Mr.Visith Leelasithorn

Director and Chairman of
the Board of Directors

3

Mrs.Supaporn Chongvilaiwan

Director and Asst.Managing
Director

4

Mr.Somsak Tiensriyuka

Director and Secretary of
the Board of Directors



5

Assoc.Prof.Dr.Somjai Phagaphasvivat

Independent Director and Chairman of
the Audit Committee

6

Mrs.Sununta Subhapholsiri

Independent Director and
Member of the Audit Committee

7

Pol.Lt.Gen.Adisorn Nonsee

Independent Director and
Chairman of the Nomination
and Remuneration Committee

8

Mr.Busarin Vanaswas

Independent Director and
Member of the Audit Committee



Message from the Chairman of the Board of Directors

Dear Shareholders,

During the past year, economic situations began to show good signs of continuous recovery after the ease of travel restrictions during the COVID-19 pandemic. It was also another year the Company had to adapt and get prepared to cope with potential challenges, whether from the Russo-Ukrainian conflicts or severe climate change, as all of which resulted in a continuous increase in energy and raw material costs of animal feed.

With respect to the Company's 2022 operating result, it generated a net profit of 29.65 million baht while that of the previous year was 136.08 million baht, meaning the net profit decreased by 106.43 million baht. The reason for this drop is mainly from the selling price of animal feed not being adjusted to keep up with the rising costs of its raw materials, as feed products are regulated products and their prices are controlled by the government. However, based on the Company's experience and know-how, it is necessary to accelerate the development and improvement of solutions to reduce costs. For example, this year, the Company will begin to integrate modern machinery as an automated system in production to enhance production efficiency and consistently maintain high quality at reasonable costs and market competitiveness.

On behalf of the Board of Directors, all executives and employees, I would like to express my appreciation to stakeholders of all sectors who have been showing us great support and trust. The Company still adheres to the vision "We are a leading feed manufacturer with readiness to thrive alongside our trade partners" in order to become a leader in the feed industry. The Company has consistently contributed part of its profit to the community and the nation while also operating the business on the principles of good corporate governance, morality, taking into account society, community and the environment to ensure the Company can always soar toward the success of stable and sustainable growth.

(Mr. Visith Leelasithorn)
Chairman of the Board of Directors



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 37.50 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" and "Mao Mao One" 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, 2022

Company Name	Nature of business	Paid-up capital (Million Baht)	% Shareholding	Investment Cost (Million Baht)	Investment Value (Million Baht) (Equity method)	Minor shareholders
Subsidiaries						
Lee Pattana Feed Mill Co.,Ltd.	Producing and distributing animal feed	200.00	95.0%	190.00	473.42	Leelasithorn family (5%)
Lee Pattana Agro Silo Co., Ltd.	Crop drying	37.50	95.0%	37.50	41.99	Leelasithorn family (5%) (indirectly held by Lee Pattana Feed Mill)
Bodhi Ngarm Sea Farm Co.,Ltd.	Rental farming	5.00	100.00%	5.00	8.59	-
P A F (2020) Co., Ltd.	Distributing pet food	25.00	99.50%	20.78	15.65	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 (2020 – 2022)

Revenue from Sales	Producer	2020		2021		2022	
		Million Baht	%	Million Baht	%	Million Baht	%
Complete animal feed	Company and subsidiary	2,814	99.23	3,714	99.39	3,331	98.96
Livestock / crop farming	Company	22	0.77	23	0.61	35	1.04
Total		2,836	100.00	3,737	100.00	3,366	100.00

Remarks : Revenues from sales of complete animal feeds for the year 2022 came from land and aquatic animal feeds at the rate of 40 percent and 60 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 Mao Mao One; 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 2022 while the actual production (Utilization) was approximately 45% 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.

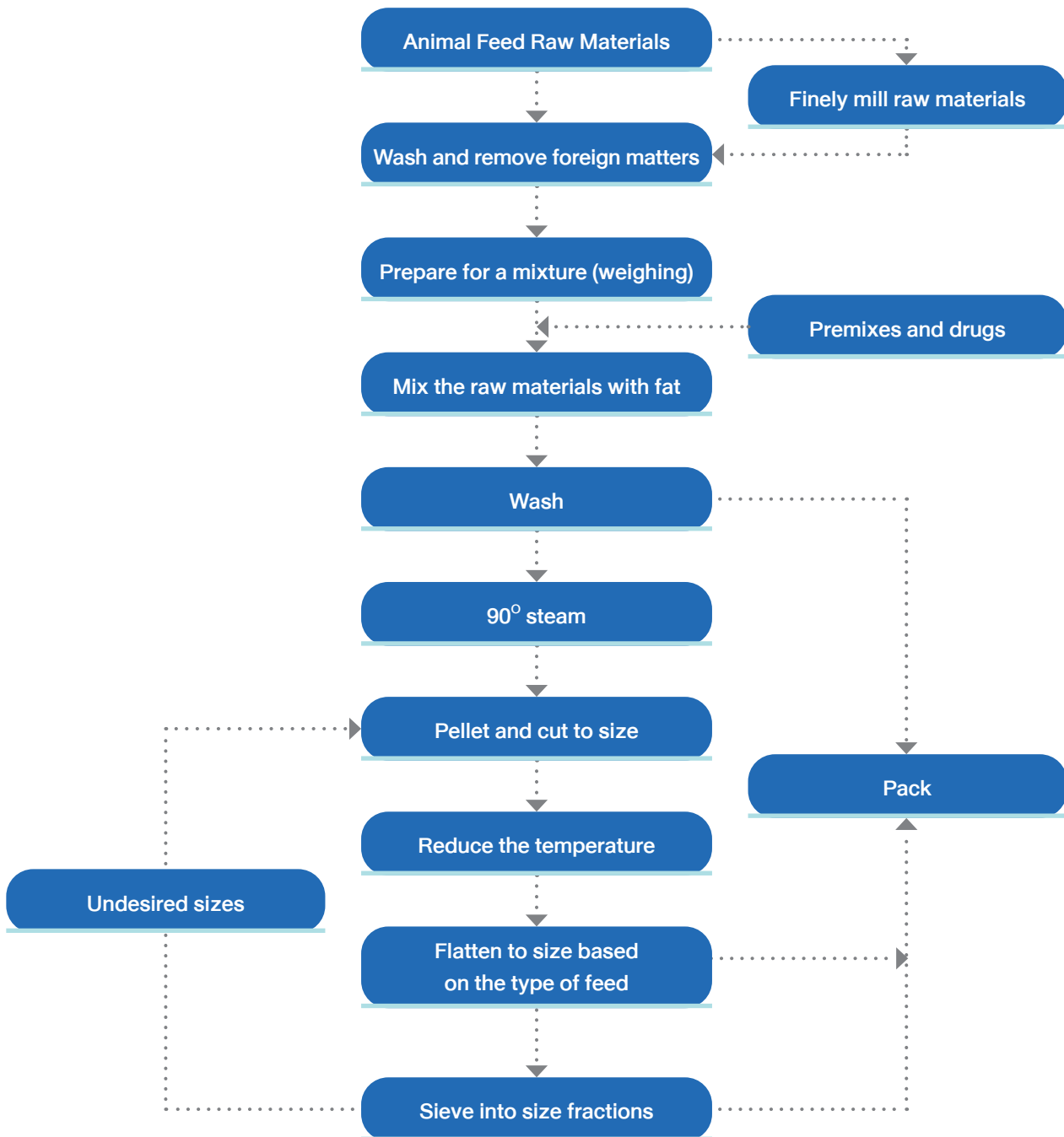
In this regard, the corporate income tax benefit of each project has been adjusted according to the actual investment in automation or robotics on the launch date of the project that has been promoted as follows:

- Lee Feed Mill Public Company Limited was entitled for a corporate income tax exemption of approximately not exceeding 147 million baht.
 - Lee Pattana Feed Mill Company Limited was entitled for a corporate income tax exemption of approximately not exceeding 130 million 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 2023.



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 40 percent of total sales. For the year 2022, the Group has revenue of Baht 407 million from one major customer in Thailand.

Competition Strategy

More than 40 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 19.99 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 2022 and 2023

Table: A Comparison of Animal Feed Consumption Volumes in Thailand (2022 and 2023)

Type of Animal Feed	Animal Feed Consumption					
	2022		2023		Increase (Decrease)	
	Volume (tons)	%	Volume (tons)	%	Volume (tons)	%
Broiler chicken feed	7,123,974	37.35	7,574,317	37.89	450,343	6.32
Parent chicken stock	907,200	4.76	922,320	4.61	15,120	1.67
Layer chicken (small)	605,284	3.17	605,284	3.03	-	-
Layer chicken (egg)	2,120,569	11.12	2,120,569	10.61	-	-
Parent layer-chicken stock	17,072	0.09	17,072	0.09	-	-
Swine	4,089,186	21.44	4,511,466	22.57	422,280	10.33
Swine breeder	717,523	3.75	846,300	4.23	128,777	17.95
Duck feed	331,968	1.74	298,771	1.49	(33,197)	(10.00)
Duck breeder	23,934	0.13	21,541	0.11	(2,393)	(10.00)
Layer duck	328,500	1.72	246,375	1.23	(82,125)	(25.00)
Dairy	1,278,349	6.70	1,246,313	6.23	(32,036)	(2.51)
Cattle	440,728	2.31	500,264	2.50	59,536	13.51
Shrimp	544,000	2.85	512,000	2.56	(32,000)	(5.88)
Fish	547,500	2.87	570,000	2.85	22,500	4.11
Total	19,075,787	100.00	19,992,592	100.00	916,805	4.81

(Source: The Thai Feed Mill Association)

The agricultural economy in 2022 grew by 0.8 percent in comparison to that of 2021. However, the fishery sector and the livestock sector shrank by 2.0 and 3.0 percent respectively, as a result primarily of the pandemic situation and the overall increase in production costs.

For the positive prediction in 2023, with respect to rainfall, which directly affects the productivity of fishery and livestock production of the year, it is expected that there will be enough water for production, which is conducive to the growth of animal husbandry and aquaculture, resulting in higher overall efficiency in livestock and fishery production. In collaboration with the public and private sectors, the Company promotes and engages in campaigns for standard farming, e.g., the BAP system in aquaculture or GAP in livestock farming, which can reduce losses and effectively prevent disease outbreaks, thus being able to quickly and sustainably recover from damage; for instance, an effective response to the African swine fever epidemic or Lumpy Skin disease in cattle.



The overall preventive measures against the coronavirus disease (COVID-19) outbreak are effective and have gained international confidence toward the country's public health and disease prevention. As being able to control the outbreak, Thailand could be reopened as planned while there have been a bunch of tourism campaigns in several channels that attract a large number of tourists and benefit consumption of goods, especially food. At present, the coronavirus (COVID-19) is classified as an endemic disease and a large number of Thai populations have been vaccinated to ensure herd immunity, resulting in less severity of the disease. Thus, the tendency to close down certain areas or lock down the country as in the past is less likely to occur.

For the negative prediction in 2023, the outbreak of the coronavirus disease (COVID-19) still persists, but the situation is not as severe as it was. Disease containment or quarantine requirements in a wide area, e.g., country lockdown, are less likely while sub-containment, e.g., regional or provincial lockdown, may be possible, but are also unlikely. Domestic consumption is not as high as it was in the past as the number of tourists is stagnant, but tends to gradually increase in line with the number of tourists. Disputes among oil exporting countries still persist, resulting in higher oil prices in the global market, which affect transportation costs and grain prices globally. As a result, the animal feed production costs and those of raw materials increased. Moreover, the weather and the environment are variable and may cause continued outbreaks of human diseases and outbreaks in several economic animals, as well as plants, be they existing or emerging diseases.

Growth rate of gross agricultural product

Sector	Unit : Percentage	
	2022	2023 (Forecast)
Agriculture	0.8	2.0 – 3.0
Plant	2.1	2.2 – 3.2
Livestock	-3.0	3.0 – 4.0
Fishery	-2.0	0.5 – 1.5
Agricultural service	2.7	2.5 – 3.5
Forest	2	0.7 – 1.7

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

With respect to the fishery sector in 2023, it is expected to grow by 0.5-1.5 percent as the economy begins to recover. Fish and shrimp prices rose higher than those of 2022, especially sea shrimp. In terms of cold storage and processing plants, there is a higher demand for shrimp for export in parallel with more active tourism globally and the ease of COVID-19 containment measures, resulting in the improvement of overall shrimp prices that incentivize farmers to further engage in shrimp farming.



In 2022, Thailand's total shrimp production was 280,000 tons, which was equal to 2021, as there were shrimp epidemics and weather variability in 2020 despite the fact that farmers could effectively manage the farming system to deliver better production compared to the past, with shrimp being raised at a reduced density, due to inclement weather. There were more often damages incurred to the shrimp than in the past (increased frequency of diseases). Moreover, the overall quality of shrimp fry is more unstable, resulting in many farmers facing problems since the start of the farming. While there was the drastic reduction in the amount of shrimp in the market, the average shrimp price increased, thus encouraging farmers to raise more shrimp. It then could be concluded that there was more shrimp farming in 2022 than in 2021, but also with tremendous damage; therefore, the output does not increase as intended. Domestic consumption began to recover. When comparing the unit price of shrimp with that of other meat in 2022, it was found that prices are not much different. However, the acceptance level of shrimp among Thai people is much higher (compared to pork or fish). Hence, when the price drops, domestic purchase then increases, in contrast to pork and fish as their prices tend to increase.

In 2023, it is expected that the production and export of Thai shrimp will grow by 7%, or 300,000 tons, compared to the Thai shrimp production in 2022. The trend of shrimp prices in 2023 is likely to rise in parallel with the increasing demand of the market, cold storage operators, and food processors. Since the COVID-19 outbreaks have eased thanks to the higher proportion of immunization of Thai people and those of other countries that help lessen the intensity of the outbreaks, a recovery in tourism and a gradual increase in consumption can be noticed. The negative factors are still the cost of energy production and shrimp feed that has increased considerably due to the Russo-Ukrainian disputes, which effect the increase in oil prices to an extent that it strikes transportation costs and prices of animal feed raw materials, as well as the cost of sailing, resulting in less fishing activities. Hence, fishmeal raw materials decreased and became more expensive. Moreover, the country has faced feed raw material and grain shortages, be it corn, beans, or wheat, after low production rates due to the climate fluctuations that raise the price even more and the appreciation of the baht that results in higher prices for imported products. With these negative factors, the cost of shrimp production will increase and will affect competitiveness.

Tilapia The total domestic production of tilapia in 2022 is approximately 220,374 tons, an increase from 2021 with a production of about 210,419 tons, representing an increase of 4.7% due to good water conditions with sufficient increase of water amount, less flooding and less damage compared to 2021. Farmers have adopted more developed farming approaches where fish are nursed in land for a longer period before being fattened in a caged farm. This thus greatly reduces the damage, contributing to fewer deaths and epidemics reports. There has been a decrease in the outbreak of the coronavirus disease (COVID-19) and various measures have been relaxed with more entertaining events being held (tilapia is a raw material of popular foods served in Thai banquets). Moreover, the disease outbreak in swine has raised the price of pork, which is meat widely consumed in Thai households, making consumers prefer fish instead thanks to their better prices. It is expected that in 2023, tilapia production will increase due to the sufficient water situation, which improves its production. While the COVID-19 containment measures are getting relaxed, the country attracts more tourism and tourists, hence raising the consumption of fish and improving the price of tilapia to be good enough to motivate farmers to raise this type of fish more. Nevertheless, the negative factor that needs to be closely monitored is the rising price of tilapia feed due to the rapid increase in production costs and raw material prices.



Catfish The total domestic catfish production in 2022 was about 97,200 tons - an increase from about 94,200 tons in 2021, representing an increase of 3 percent due to good weather. The water level on average is increased and sufficient for farming. There was less flooding and less damage. The price of meat fish is comparatively good and motivating for more farming. Since catfish is the cheapest meat on the market compared to tilapia, shrimp, pork or cattle, it will become more popular among consumers in 2022 as most consumers are affected by the economic sluggishness during the past months. It is expected that, in 2023, the farming volume will increase due to the attractive selling price of meat fish while other types of meat on average are still more expensive than catfish, being a reason that encourages consumers to choose catfish during the period when the economy is still unstable.

Livestock In 2023, it is expected to grow by 3.0-4.0 percent, compared to 2022, due to higher consumption demand after the easement of COVID-19 measures, and subsequently the recovery of tourism. In addition, the public and private sectors have cooperated to raise the farm management standards of each animal species to better cope with both existing and emerging disease outbreaks. There is a joint development of vaccines by related agencies and a project to subsidize farmers who have faced difficulties.

For Thailand, in 2022, there was a production of 15.51 million swine, a decrease from that of 2021, which produced 19.28 million swine, representing a decrease of 19.55% due to the outbreak of African Swine Fever (ASF), thereby causing small farmers to delay the raising to minimize risks. As for large producers, they focus on closed system farming and do not relocate breeds between farms as they did in the past, but instead focus on improving the herd by periodically eliminating the sick and weak (due to other diseases) from the herd as well as removing low-yielding swine. Therefore, many farms have higher productive potential because herds have been depopulated of the disqualified populations. By doing so, swine farms in Thailand will have better production potential than in the past. With respect to the forecast of swine production in 2023, it is expected that the production of fattening pigs will amount to 17.47 million, an increase from 15.51 million in 2022, representing 12.66 percent, as the number of fattening sows has been well selected and improved, resulting in an increase in total production efficiency compared to the previous period. It would take approximately 2-3 years to increase the number of fattening swine in the system to the previous level. In addition, there is an ASF outbreak periodically in many areas and vaccines that are effective enough to protect against the disease are still in the development and trial stages, notwithstanding the animal feed raw materials that have been rising from time to time. These will be negative factors that may hold back farmers who earlier ceased the raising from resuming the farm.

Chicken egg In 2023, there is a target to import 440,000 parent stocks (PS), same as in 2022. For the number of laying hens in cages, at the end of 2022, there were about 52 million laying hens, producing approximately 43.19 million eggs per day. The average selling price of eggs in 2022 has increased, which was adjusted according to the higher production costs. Raising and farm management still focus on biosecurity for effective prevention of diseases for farmers, resulting in yields close to the set targets, together with good weather at proper temperatures and sufficient water for the farm. Regarding the forecast of laying hens for 2023, the import quota is equal to that of 2021 and 2022 in order to stabilize the price of eggs and prevent oversupply in the market so that laying hens can be developed and managed to ensure fairness for both producers and consumers. There were meetings to discuss measures to control the amount of eggs in the market, e.g., measures to acquire cooperation from the raisers, continuous removal of laying hens based on



their age, and measures to acquire cooperation from PS raisers and large egg producers to collect eggs for export and prematurely remove laying hens from cages, etc.

Broilers In 2022, there were 1,772 million broilers produced, representing 1 percent, an increase from that of 2021, which produced 1,754 million. It was expected that, in 2023, the production will be increased from 2022, equal to 1,782 million, due to the expansion of population and rising consumer demand in both domestic and international markets. In 2023, there may be negative factors due to the appreciation of the baht that will affect exports. Rising energy prices have raised the transportation costs while animal feed raw materials have increased significantly compared to the previous year. These factors reduce the competitive advantage of Thai broilers and may drop the farming amount.

Dairy cows For the production in Thailand, in 2022, it is estimated that there will be approximately 758,790 cattles (according to the Thai Feed Association). The impact of the COVID-19 outbreaks has eased while schools are reopened as usual across the country, thus demands for milk consumption rebound and raw milk can be sold at good prices. The outbreak of Lumpy Skin Disease has declined and the damage in several areas can be contained, causing the amount of dairy cows in 2022 to increase compared to that of the previous year. In 2023, the situation of cow's milk will improve due to comprehensive vaccination among Thai children and the outbreak situation returns to normal whereby schools can be reopened and consumption returns to normal.

For fattening cattle, they have been affected by the Lumpy Skin Disease, which caused tremendous damage. At present, the affected cattle have not yet been replaced by any new batch, thus the number of fattening cattle is still insufficient for consumption. Beef prices therefore slightly rose. Previously, the shortage of beef supply was due to a large number of exports to neighboring countries; however, at present, the export market is still slowing down while only limited groups of Thai people prefer beef consumption. It is expected that, by 2023, the number of beef cattle will slowly increase and consumption will be gradually higher as the COVID-19 situation eases. Furthermore, as fattening cattle mainly eat plants or grass, which can be produced domestically, and pellets are only a supplement, it is the only animal among the above mentioned that is less affected by the rising 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 manufacturing plant 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. Currently, it is in the process of being converted to an automatic system with an additional investment of 130 million baht.

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. Currently, it is the process of being converted to an automatic system with an additional investment of 147 million baht.

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	2020	2021	2022
Full production capacity (Unit: tons)	396,000	396,000	396,000
Actual production volume (Unit: tons)	162,105	236,980	172,531
Capacity utilization (%)	40	60	45

Procurement of Important Raw Materials Used in Animal Feed Production

With respect to the overview of the global economy in 2022, it began to recover from the bombardment of COVID-19; nonetheless, there are still many factors that place pressure on the global economy, especially the Russo-Ukrainian war that led to trade sanctions, protracted energy crisis, pressure on commodity prices, China's economic slowdown, as well as the economic polarization between the United States and China. During the past years, many countries around the world have continuously implemented the Quantitative Easing (QE) measures for a long time, resulting in inflation, which is the reason why the Federal Reserve needs to raise the policy rate from 0.00-0.25 percent to 4.25-4.50 percent by 2022 — the most severe rate hike in 15 years, which is likely to further increase in 2023, leading to consumption slowdown in investment and increased unemployment rates — the main factor of future economic recession.

For the main raw material price situation in 2022, the prices of imported raw materials, e.g., soybeans, soybean meal, wheat, and corn, increased by more than 20 percent compared to 2021 due to the war engaged by Russia and Ukraine, which are the world's major producer and exporter of cereals. Dry weather hits farmland, thus the quality and quantity of grains were lower than expected. Coupled with the baht depreciating by 9.6% compared to 2021, dry weather hit farmland and lessened the quality and quantity of grains than expected. For the domestic raw material segment, especially carbohydrate, e.g., corn, cassava, and rice products, the prices have increased by more than 15 percent compared to those of 2021 due to the rising of import price, resulting in a decrease in the import of carbohydrate groups by 50 percent, compared to 2021. Therefore, animal feed manufacturers have to rely more on domestic raw materials. As for the animal protein group, e.g., fish meal, the price is much higher due to the rising cost of fishery, together with consistent domestic and international demand while the amount of fishmeal in the country is insufficient with lower imports and more exports, thus the prices are still at a high level.

Regarding the price of major raw materials imported in 2023, the price is expected to remain stable at a high level in line with the prices of many products that have been adjusted based on inflation in the past. The needs of consumers still continue while the plantations of the world's major producing and exporting countries will have been affected by drought until mid-2023, coupled with increasing transportation costs, wages and production costs. As for monetary policies of the US Federal Reserve, of which the goal is to pressure inflation to a level of 2 percent, fluctuations in exchange rates and political landscape problems need to be actively monitored. As for the domestic main raw material price situation in 2023, the price is expected to remain stable at a high level as the return of tourists boosts domestic consumption. For the cost of transportation, labor and production, the Company has closely monitored the situation of fluctuating raw materials in order to adapt to market conditions and produce 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 2022

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, 2022

Shareholders' Name	No. of Shares Held	%
1. Mr.Nipon Leelasithorn	226,000,000	24.51
2. Mr.Preecha Leelasithorn	161,400,000	17.50
3. Alliance Co.,Ltd.	85,000,000	9.22
4. Wall Street Tower Co.,Ltd	39,000,000	4.23
5. UOB KAY HIAN PRIVATE LIMITED	23,538,329	2.55
6. Lee Kong Jin Holdings Co.,Ltd	19,040,090	2.06
7. Mr. Somsak Amornrattanachaikul	16,569,600	1.80
8. Mrs. Krongporn Turiyakorn	16,002,887	1.74
9. Mrs. Anchalee Chamsai	7,500,043	0.81
10. LEE ANG SIANG	6,624,280	0.72
11. Others (4,075 persons)	321,505,022	34.86
Total 4,085 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 55.46%, including of No.1 — 4 The representative of the Leelasithorn family is Mr. Nipon Leelasithorn.



As of 31 December 2022, the latest date of Share Registration Book closure, the Company's NVDR represents 2.08 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.2/2023 held on 10th March 2023. Approval to pay dividends for the year 2022, at Baht 0.03 per share, which equivalent to 32 percent of net profit of the year 2022 according to the separate financial statement (representing a payout ratio 93 percent of the Consolidated financial statement) payment on 18th May 2023. Dividends payment for the year 2021 and 2020 were Baht 0.13 per share and Baht 0.18 per share, representing a payment ratio of 88 percent and 92 percent of net profit of the separated, (representing a payout ratio of 79 percent and 89 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 2022, 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 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 appropriate 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 2022, the major shareholder of the Leelasithorn family is the Company's major shareholder, holding 511,400,000 shares or 55.46 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 8 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.

Policy document can be found at the Company's website :

<https://www.leepattana.com/web/download/file/e62691b5.pdf>



3.2 Managing the impact on stakeholders in the value chain

3.2.1 Directors, executives, and employees policies and guidelines

Details can be found at the Company's website: <https://www.leepattana.com/web/download/file/a2090bdf.pdf>

3.2.2 Guidelines

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

As employees are valuable resources for success in the Company's business, it then focuses on encouraging employees to develop their knowledge and skills to enhance their potential and work efficiency. It also places importance on respecting human rights. Human resources are managed with equality with a policy on competitive remuneration and safe work environment. The Company expects all employees to have a decent and happy life while also being ready to work together to drive the business to achieve sustainable goals.

Training

The Company has an annual training plan in place to cascade knowledge and skills to its employees to ensure that they can engage in self-development and absorb knowledge continuously and systematically, by focusing on the development of knowledge and skills to enhance work competencies and efficiency as well as maximizing competitiveness. In addition, the Company also pays attention to training to strengthen awareness of safety in the workplace.

Respect for human rights

The Company operates the business based on the human rights principles by ensuring equality and equal opportunities for all groups of people. There is no forced labor nor child labor while health care and the personal security of employees are being paid attention to with a safe and hygienic work environment. In addition, the Company has been careful about freedom breaches in various aspects and reassures the protection of employees' personal information by strictly adhering to the personal data protection policy to supervise and prevent employees' personal data from being accessed or used without their consent.



Fair treatment of employees

The Company has fair personnel management by managing wages, benefits, and stipulate employment conditions by taking into account equality.

Employment In the process of recruiting, selecting, appointing and rotating employees, the Company adheres to the suitability principles by considering knowledge, skills, abilities and experience, as well as physical fitness. An appropriate remuneration rate is determined based on the nature of work, employee level and performance.

Welfare The Company provides welfare for employees to cultivate good morale and reinforce encouragement in performing duties. For example:

- Provident Fund It is a saving approach to ensure financial stability in the future for employees. Employees can choose to collect money at any rate of 3-15 percent of their salary and the Company will pay contributions to the provident fund based on their work longevity, at the rate of either 3-5 percent of their salary.
- Life insurance, accident insurance and health insurance Employees who are sick or are involved in an accident, either during or after work hours, can receive treatment according to the benefits received. This is to provide care and lessen the burden of health expenses for employees.
- Annual health check The Company provides health check-ups for employees once a year.
- Reimbursement of medical expenses for family members, which is reserved for employees who have been working for the Company for at least 10 years.
- Welfare benefits in case of an employee's death or any one of their family.

Occupational health and safety management

The Company places importance on safety and good occupational health in the workplace by establishing a safety, occupational health and working environment committee to be responsible for cultivating awareness of personal and public safety among employees. It inspects the condition of the work areas on a regular basis so that employees can have a safe, decent, and hygienic place to work. There are health checks for employees who are exposed to risk factors in order to reduce impacts on health and prevent occupational diseases. It launched campaigns to reduce risky behaviors that are the main cause of accidents through various projects; for instance, "Safe Driving Project," "Safety Week Project: Energy and Environment," "Prevention and Solutions to Drug Problems in the Workplace," as well as providing basic fire fighting training courses for employees, along with fire emergency drills at least once a year to ensure the employees are well prepared to cope with emergency situations according to the standards set by applicable laws.





Customer Care

The Company places importance on producing quality animal feed, complies with business terms and conditions with integrity and fairness. Information about products and services is disclosed accurately and completely without distorting facts. Customer data have been maintained confidential and none of them are exploited for wrongful use and without consent. This is to create trust and maximum satisfaction for customers.

The Company is attentive to listening to the opinions and complaints of every customer, hence it launched a satisfaction assessment survey on an annual basis to explore needs and expectations of customers in terms of products and services while also improving the same based on the information obtained to meet customer needs.

The Company has continued product research and development and engaged in quality control at all stages of production to ensure that its products meet the required quality standards. Cutting-age machines are used, resulting in high efficiency production with costs being reduced and resources being effectively used.

Partners

The Company operates its business on the basis of good governance principles, adheres to transparency, equality, and honesty in business operations by strictly complying with the terms and conditions of trade to maintain a good relationship and mutual benefits. In addition, it pays attention to the protection of the personal information of business partners and never exploits it unlawfully or without consent.

The Company clearly set criteria for the selection of business partners, taking into account the standard quality, reasonable price, and after-sales service. Moreover, it never seeks or accepts any unlawful benefit from trading partners.

Government/Private Agencies

The Company strictly complies with relevant laws and cooperates with various business organizations, either public or private, e.g., the Department of Livestock Development, the Department of Fisheries, the Thai Feed Producers Association, the Federation of Livestock and Aquaculture, Thai Chamber of Commerce, Ministry of Commerce, the Federation of Thai Industries, the Department of Labor Protection and Welfare, while also following the principles of good corporate governance based on the guidelines set by the Stock Exchange of Thailand. In this regard, it never receives or pays any unlawful benefit and actively works against corruption of all forms in order to ensure that the Company's business operates properly and sustainably grows.

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

Policy and Environmental management

Objectives

- Objectives of the environmental management system (ISO 14001) for 2022 are as follows:

Target Index	Target of 2022	Owner
Environmental complaints	0 Time	Phetchaburi Plant
Environmental complaints	0 Time	Saraburi Plant
Environmental communication with the community	≥ 140 Households/Time	Saraburi Plant

- Goals and objectives of the Energy Management System (ISO 50001) for 2022 are as follows:

Target Index	Target of 2022	Owner
Reduce factory energy consumption	≤ -2.50%	Phetchaburi Plant
Reduce electricity consumption of air compressors	≤ 0.00%	Phetchaburi Plant
Reduce energy consumption for steam generation of boilers	≤ -0.22%	Phetchaburi Plant
Reduce energy consumption in shrimp feed production	≤ -2.54%	Phetchaburi Plant
Reduce energy consumption in fish feed production	≤ -0.65%	Phetchaburi Plant
Reduce energy consumption in animal feed production	≤ -0.04%	Phetchaburi Plant
Reduce electricity consumption in the energy database	≥ 0.50%	Saraburi Plant
Reduce heat energy in the energy database	≥ 0.50%	Saraburi Plant

Renewable Energy/Clean Energy Management

There are two types of energy used in the animal feed production, namely electricity, fed by the Provincial Electricity Authority, and heat, generated from solid fuels (coal, fossil, and biomass palm shells) to produce steam.

Electrical power

Guidelines for the reduction of electricity and heat consumption has been conducted through energy conservation measures in the ISO 50001:2018 energy management standard system. In the past year, the results were as follows:



As a result of machine transformation, the production capacity was enhanced, thus reducing the amount of electricity per unit of production from 129.53 kWh/ton of the previous year to 117.87 kWh/ton, accounting for a reduced unit of 890,151.30 kWh/year, representing a value of 3,874,175.66 baht/year (increased from the Ft value by 512,020 baht)

Remark: With respect to electrical power, there is a project plan to increase the proportion of clean energy through solar farm projects.

Heat energy

Guidelines for the reduction of heat energy consumption.

1. Reduce fuel consumption in steam production to improve steam production efficiency, control variables that affect energy consumption, e.g., fuel moisture; clean the combustion chamber regularly, adjust the oxygen input to combustion based on fuel types, adjust the blow down time of boilers, recycle the condensate, and increase the biomass proportion of fuel use (palm shells) in replacement of fossil energy (coal).
2. Reduce the use of steam in food production, implement operation control measures (OPC), e.g., measures to reduce steam consumption of the P2 dehumidifier by changing from the Horizontal Dryer model to the Vertical Dryer model, which could save heat energy by 2,941,697.00 MJ, measures to reduce steam consumption of the pellet machine through the automatic steam feeding control - Smart Pellet, which could save heat energy by 4,262,588.00 MJ and reduce fuel consumption by 7,204,255.69 MJ, accounting for a fuel value of 2,038,254 baht/year.

Lee Feed Mill Public Company Limited has concretely implemented the Energy Policy since 2016 in materializing the ISO50001 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 147 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 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.



Oil and Fuel Management

The control guidelines for fuel consumption of automobiles, loaders, and forklifts, have been conducted through activities (OMOM), learning experiences, components, automotive work process, and maintenance, as well as fuel-saving measures; for example, turning off the engine when parking, advance travel route planning, speed control to below 90 km/h, GPS-controlled drive, proper tire inflation, regular filter cleaning, no clutch raising while driving, regular automotive check.

With respect to the fuel consumption result in comparison to that of the previous year (2021), diesel was at 61,947 liters/year, an increase of 111 liters/year; gasoline/gasohol was 1,468 liters/year, a decrease by 32 liters/year; and LPG was 8,400 kg/year, reduced by 1,815 kg/year, equivalent to GHG emissions of 199.46 tons CO₂e/year, decreased by 5.42 tons CO₂e/year from that of the previous year.

Waste management

Guidelines for waste management, public communications, education on waste sorting within the organization, and determination of waste bin locations. Waste types can be classified as follows:

General solid waste, e.g., paper, wood, glass, leaves, sewage. The implementation has been conducted through activities in order to reduce the use of unnecessary resources, reuse equipment, e.g., e.ee.geerxcjd dsf using both sides of paper; recycle (recyclable waste), reprocess into new things, e.g., changing paper, boxes, paper bags, glass, plastic, or cans, into a container, etc.

General waste, sewage or discarded materials generated from industrial processes, e.g., paper bags, plastic bags, metal, steel drums, wood pallets that are not contaminated with hazardous substances and recyclable. For personal protective equipment, e.g., gloves, masks, etc., the amount of usage shall be controlled while some materials can be cleaned and reused, e.g., cloth gloves.

Hazardous waste to be disposed of, e.g., cloth with oil stains, oily sawdust, old paintbrushes, materials contaminated with hazardous substances which are not recyclable, with logs to monitor and optimize the usage.

Sellable hazardous waste, e.g., ball bearings, contaminated metal kits, used oil, ink cartridges, paint cans, tin cans, turpentine, and oil barrels, which can be reused.

In part of the controlling procedures, once a material is used and waste is generated as a result, a survey log must be done to identify waste amounts of each function on a monthly basis with weekly waste inspection and control.

Greenhouse gas and climate management

At present, climate change tends to continuously become more severe, resulting in natural disasters, which are a problem that affects globally and may precipitate impacts on the business. For the energy management strategy, we focus on reducing energy consumption, both electricity and heat energy, which are regarded as the main energy for the production activities. Thus, a strategy to reduce energy consumption and reduce greenhouse gas emissions was formulated based on the BCG model, which is a holistic economic development that focuses on the development of 3 economies concurrently, namely Bio Economy, aiming at adding value to biological resources; Circular Economy, taking into account optimization of resources; and Green Economy, prioritizing the sustainability of resources and the environment, with the following operational guidelines being set.



1. Improve operational efficiency: Improve production and energy efficiency to mitigate greenhouse gas emissions; improve and transform machines to achieve higher efficiency and reduce energy consumption, the investment of which has been promoted (BOI). For the electricity performance, it could manage to reduce greenhouse gas emissions, compared to the target of 2022, by 6,140 tons CO₂e (accounting for 0.080 tons CO₂e/ton product). The actual reduction was 5,190 tons CO₂e (0.068 tons CO₂e/ton product).
2. Renewable Energy: Make a decision on energy alternatives to replace fossil fuels, e.g., coal, which emits tremendous amounts of carbon dioxide and causes global warming; use biomass energy (palm shells). For the greenhouse gas emissions, in 2021, the Company employed 100% coal while, in 2022, it increased the proportion of biomass energy by 80%, resulting in emissions reducing from 10,808 tons CO₂e in 2021 to 1,337 tons CO₂e in 2022, accounting for 9,471 tons CO₂e or 87.63%.
3. Reduce waste amount; reduce paper usage. Guidelines for paperless data record and production reports. The current production system supports automatic and highly secure data recording technology with software and applications that are designed to provide a search function. The data recording system helps ensure that the data are accurate and correct. With the barcode system, it will facilitate the logging process and data input, confirming that it will be in a more timely and accurate manner than being handled manually.

3.4 Sustainability Management in the Social Dimension

Social Responsibility for Lee Pattana Society and Nearby Communities

To engage employees in a good quality of life and stability, living in a friendly and caring society, the Company has promoted activities to strengthen stability and cultivated the spirit of helping each other, regardless of their employee status, as follows:

- Encourage employees to gain more financial knowledge and skills by participating in the “Promoting savings and personal money management” project with the Stock Exchange of Thailand to instill financial discipline in employees, to ensure that it is able to manage income generated from work as well as starting saving and investing by themselves. This project serves as a guideline to build a solid financial foundation of employees in the future.
- Value the coexistence with society and nearby communities by developing an ozone system to treat odors caused by the production process and integrating the use of microorganisms in wastewater treatment to minimize the environmental impacts caused by the production process. Several teams were assigned to visit nearby areas that surround the factory location to listen to their feedback, complaints, or advice on the environment. All information obtained will be further used to improve and minimize errors so that the communities and the Company can live and operate together.





- Encourage employees to engage in volunteering activities for common benefits by visiting the actual places in need to provide assistance and develop the locations so that the locals can enjoy convenience and safety.
- Support nearby communities by organizing events on notable religious and traditional days. For instance, merit-making festivals, traditional robe giving, children's day events, and local traditions, in order to jointly improve the quality of life for people in the community while also creating a livable society and passing on the good culture.



Social Responsibility Projects

The Company realizes Corporate Social Responsibility, thus supporting various activities to develop and aid society, as well as being aware of the environment and resource usage, to ensure a better quality of life for society and communities, which can be developed and sustainably grow.



The Company promotes donation projects, e.g., donation of old calendars under the "Please Give Us Old Calendars" project to the Educational Technology Center for the Blind Foundation in Thailand under the Royal Patronage of Her Majesty the Queen. The donated calendars will be used to create Braille cards, serving as teaching aids for those who are visually impaired; and donation of items to the Mirror Foundation.





In addition, the Company also supports the operations of the Thai Red Cross Society by allocating spaces within the head office and factories for blood donation activities, held 3 times each year.



Educational Support

The Company recognizes the importance of education, with a goal to encourage Thai youth and ensure they can grow up with quality, being equipped with knowledge and ability to develop their potential as they should be. The Company has financially supported schools that lack funds to purchase educational equipment and granted scholarships to underprivileged children in the remote areas. Additionally, it procured teachers to cover the subjects in need of instructors and built, as well as repairing, educational institutions in order to strengthen the foundation for the youth, who will later be an important force that drives the development of Thai society and the nation. The projects implemented in 2022 are as follows:

- A project with Por Tek Tung Foundation to donate sports equipment and essential items to Ban Mae Leer Border Patrol Police Learning Center in the wildlife sanctuary of Mae Sariang District, Mae Hong Son Province, with a purpose to encourage students and reassure that they will have access to a good quality of life and adequate sports equipment for exercise.



- Playground Improvement Project for Wat Pa Sak School, Muang District, Saraburi Province.





- The Company unlocks opportunities for students from different institutions and officials from various departments to visit and study about the production process and management system as well as engaging in various activities. Moreover, it has shared knowledge outside the organization, as a guest speaker for other organizations.



- The Company participated in a project to promote and develop the quality of life of the disabled in Thailand to make careers in agriculture and animal husbandry available to them. This is to improve their quality of life so that they can earn income for themselves without being a burden to their family and society - another approach to strengthen society in the long run.



Knowledge Sharing

The Group caters opportunities to students from various institutions, enabling them to participate in training to develop their knowledge and skills. Moreover, it allows physical visits of different organizations to take a tour and study the production process and management system, as well as engaging in various activities. s. In addition, the Group also shares knowledge outside the organization, as a guest speaker, and disseminates it to other departments as well.

- Sharing corporate culture under the job promotion activities to duty soldiers who will be discharged as reserve soldiers at Royal Thai Army Officers Club.





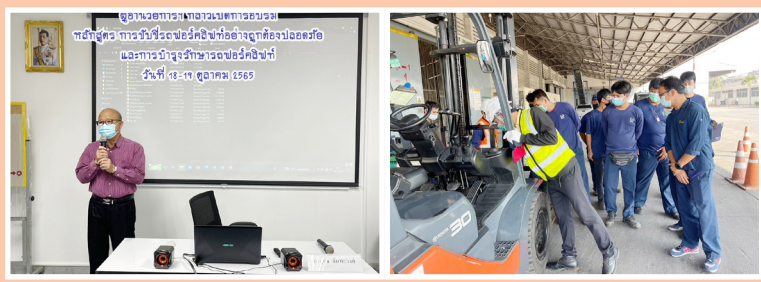
Safety

The Group takes into account safety by ensuring that employees are conscious and aware of both personal and public safety. It has organized several projects, among which include “Safe Driving Project,” “Environmental Energy Safety Week Project,” “Emergency Response Preparedness and Fire Evacuation Drill Project” and “5S Workplace Project”.

- Emergency Response Preparedness Project and Fire Evacuation Drill.



- The production department of the Saraburi Plant organized a training course “Forklift”.



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 2020 - 2022

Assets	2020		2021		2022	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Assets						
Current assets						
Cash and cash equivalents	29,894	0.95	60,891	1.88	82,039	2.69
Trade and other receivables	232,229	7.39	268,924	8.31	191,003	6.26
Inventories	738,224	23.49	766,792	23.68	728,178	23.86
Current biological assets	6,220	0.20	11,171	0.35	15,120	0.50
Other current financial assets	1,181,681	37.60	1,041,250	32.16	950,472	31.15
Other current assets	5,614	0.18	5,093	0.16	4,720	0.15
Total current assets	2,193,862	69.81	2,154,121	66.54	1,971,532	64.61
Non-current assets						
Other non-current financial assets	33,024	1.05	33,980	1.05	36,819	1.21
Investment properties	14,004	0.45	14,840	0.46	14,840	0.49
Property, plant and equipment	822,526	26.17	980,239	30.28	981,972	32.18
Right-of-use assets	35,511	1.13	22,003	0.68	16,203	0.53
Intangible assets	15,575	0.50	6,513	0.20	5,620	0.18
Non-current biological assets	20,961	0.67	20,502	0.63	17,471	0.57
Deferred tax assets	2,384	0.08	495	0.02	504	0.02
Other non-current assets	4,975	0.16	4,830	0.15	6,484	0.21
Total non-current assets	948,960	30.19	1,083,402	33.46	1,079,913	35.39
Total assets	3,142,822	100.00	3,237,524	100.00	3,051,445	100.00



Statement of financial position (continued) as at 31 December 2020 - 2022

Liabilities and Shareholders' equity	2020		2021		2022	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Liabilities						
Current liabilities						
Trade and other payables	203,159	6.46	246,510	7.61	168,276	5.51
Current portion of lease liabilities	13,354	0.42	10,108	0.31	14,414	0.47
Income tax payable	28,874	0.92	4,953	0.15	9,255	0.31
Other current liabilities	2,030	0.06	2,131	0.07	1,457	0.05
Total current liabilities	247,417	7.87	263,703	8.15	193,402	6.34
Non-current liabilities						
Lease liabilities, net of current portion	23,241	0.74	13,249	0.41	3,047	0.10
Deferred tax liabilities	25,792	0.82	49,243	1.52	37,805	1.24
Provision for long-term employee benefits	110,355	3.51	117,030	3.61	101,315	3.32
Other non-current liabilities	4,739	0.15	3,750	0.12	3,654	0.12
Total non-current liabilities	164,127	5.22	183,272	5.66	145,821	4.78
Total liabilities	411,544	13.09	446,975	13.81	339,223	11.12
Shareholders' equity						
Share capital - Issued and fully paid	922,180	29.34	922,180	28.48	922,180	30.22
Share premium	681,345	21.68	681,345	21.05	681,345	22.33
Retained earnings						
Appropriated - statutory reserve	122,500	3.90	122,500	3.78	122,500	4.01
Unappropriated	748,759	23.83	718,845	22.20	641,602	21.03
Other components of shareholders' equity	225,783	7.18	315,701	9.75	315,701	10.35
Equity attribute to owners of the Company	2,700,568	85.93	2,760,572	85.27	2,683,328	87.94
Non-controlling interests of the subsidiaries	30,709	0.98	29,976	0.92	28,894	0.94
Total shareholders' equity	2,731,277	86.91	2,790,548	86.19	2,712,222	88.88
Total liabilities and shareholders' equity	3,142,822	100.00	3,237,524	100.00	3,051,445	100.00



Statement of comprehensive income for the year ended 31 December 2020 – 2022

List	2020		2021		2022	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Profit or loss:						
Revenue						
Sales	2,836,262	98.69	3,736,893	98.65	3,365,660	99.42
Other income						
Dividend income	21,651	0.75	41,658	1.10	4,456	0.13
Gain on equity instrument at fair value through profit or loss	4,699	0.16	956	0.03	2,839	0.08
Others	11,282	0.39	8,596	0.23	12,335	0.37
Total other income	37,632	1.31	51,210	1.35	19,630	0.58
Total revenues	2,873,894	100.00	3,788,103	100.00	3,385,290	100.00
Expenses						
Cost of sales	2,437,051	84.80	3,454,051	91.18	3,172,759	93.72
Selling expenses	57,886	2.01	56,702	1.50	55,313	1.63
Administrative expenses	141,377	4.92	137,861	3.64	132,538	3.92
Allowance for expected credit losses - doubtful debts	4,063	0.14	5,259	0.14	(8,085)	(0.24)
Loss (gain) on financial assets at fair value to profit or loss	7,806	0.27	(22,043)	(0.58)	6,009	0.18
Loss (gain) arising from changes in fair value of biological assets	7,481	0.26	(615)	(0.02)	(3,510)	(0.10)
Total expenses	2,655,664	92.41	3,631,215	95.86	3,355,024	99.11
Operating Profit	218,230	7.59	156,888	4.14	30,266	0.89
Share of profit from investment in associated company	2	0.00	-	-	-	-
Finance income	14,197	0.49	5,484	0.14	6,725	0.20
Finance cost	(3,588)	(0.12)	(3,032)	(0.08)	(2,272)	(0.07)
Profit before income tax expenses	228,841	7.96	159,340	4.21	34,719	1.03
Income tax expenses	(39,507)	(1.37)	(24,063)	(0.64)	(6,387)	(0.19)
Profit for the year	189,334	6.59	135,277	3.57	28,332	0.84



Statement of comprehensive income (continued) for the year ended 31 December 2020 – 2022

List	2020		2021		2022	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Other comprehensive income:						
Other comprehensive income not be reclassified to profit or loss in subsequent periods						
Changes in revaluation of assets	-	-	112,068	2.96	-	-
Actuarial gain	-	-	-	-	16,518	0.49
Less: Income tax effect	-	-	(22,081)	(0.58)	(3,304)	(0.10)
Other comprehensive income for the year	-	-	89,986	2.38	13,214	0.39
Total comprehensive income for the year	189,334	6.59	225,263	5.95	41,546	1.23
Profit attributable to:						
Equity holders of the Company	187,052	6.51	136,078	3.59	29,651	0.88
Non-controlling interests of the subsidiaries	2,282	0.08	(801)	(0.02)	(1,319)	(0.04)
Total Profit for the year	189,334	6.59	135,277	3.57	28,332	0.84
Total comprehensive income attributable to:						
Equity holders of the Company	187,052	6.51	225,996	5.97	42,628	1.26
Non-controlling interests of the subsidiaries	2,282	0.08	(733)	(0.02)	(1,082)	(0.03)
Total comprehensive income for the year	189,334	6.59	225,263	5.95	41,546	1.23
Basic earnings per share/ Profit attributable to equity holders of the Company	0.20		0.15		0.03	



4.2 Significant Financial Ratios

			2020	2021	2022
1. Liquidity Ratios					
Current Ratio	times		8.87	8.17	10.19
Quick Ratio	times		5.84	5.20	6.33
Cash Ratio	times		0.68	0.35	0.44
Account Receivable Turnover	times		13.50	14.99	14.65
Average Collection Period	days		27	24	25
Inventory Turnover	times		3.54	4.59	4.24
Holding Period	days		104	80	86
Account Payable Turnover	times		19.04	20.54	20.00
Payment Period	days		19	18	18
Cash Conversion Cycle	days		112	86	93
2. Profitability Ratios					
Gross Profit Margin Ratio	%		14.08	7.57	5.73
Operating Profit Margin Ratio	%		6.64	2.24	0.49
Other Income Ratio	%		1.40	2.00	0.53
Operating Cash Flow	%		78.18	107.63	610.71
Net Profit margin	%		6.56	3.57	0.84
Return on Equity (ROE)	%		7.02	4.98	1.09
3. Efficiency Ratios					
Return on Assets (ROA)	%		7.59	5.09	1.18
Return on Capital (ROC)	%		354.05	396.41	331.53
Asset Turnover	times		0.94	1.19	1.08



			2020	2021	2022
4. Financial Policy Ratios					
Debt to Equity Ratio	times		0.15	0.16	0.13
Interest Coverage Ratio	times		64.78	53.55	16.28
Debt Service Coverage Ratio (Cash Basis)	times		0.98	1.53	1.26
Dividend Payout Ratio	%		89	88	93
5. Financial Data Per Share					
Net Book Value per Share	Baht/Share		2.93	2.99	2.91
Earnings per Share	Baht/Share		0.20	0.15	0.03
Cash Dividend per Share	Baht/Share		0.18	0.13	0.03
6. Growth Rate					
Total Assets	%		5.39	3.01	(5.75)
Total Liabilities	%		26.82	8.61	(24.11)
Total Revenues	%		8.04	31.75	(9.93)
Total Operating Expenses	%		(7.58)	(1.72)	(10.04)
Net Profit	%		26.17	(28.55)	(79.06)



4.3 Overall Financial Performance

The operating results of the Group in 2022 and 2021 can be described and analyzed as follows:

Business Overview

The operating results of the consolidated financial statement for the year 2022 had a net profit of Baht 29.65 million or 0.03 Baht per share, compared to the same period of the previous year, net profit is Baht 136.08 million or 0.15 Baht per share, representing a total decrease in profit of Baht 106.43 million or 78% of the previous year, primarily due to the significant transactions listed below:

1. The revenue from sales decreased by Baht 371 million compared to the same period of previous year. The gross profit margin for the fiscal year ended December 31, 2022 was at 5.73%, which was lower than the previous year's margin of 7.57%, mainly due to lower sales volumes. In contrast, the cost structure has continuously increased; including raw material feed costs, Baht depreciation, fuel prices per unit, and electricity costs per unit. Nevertheless, the Company can manage 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. However, price adjustments may not be in line with the price volatility of feed raw materials.
2. Dividend income for the year of 2022 was Baht 4.46 million, down from Baht 41.66 million in the same period of the previous year, a decrease of Baht 37.20 million.
3. The gain on equity instrument at fair value through profit or loss was Baht 2.84 million, compared to Baht 0.96 million in 2021. 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, 2022 and 2021, respectively).
4. Other income totaled Baht 12.33 million in 2022, an increase of Baht 3.74 million from the same period of the previous year, which was Baht 8.59 million.
5. The reversal of allowance for doubtful debts was approximately Baht 8.08 million, whereas the allowance for doubtful debts in 2021 was Baht 5.26 million, a Baht 13.34 million decrease.
6. The loss on financial assets at fair value to profit or loss for the year of 2022 was Baht 6.01 million, compared to a gain of Baht 22.04 million in the same period of the previous year, a decrease of Baht 28.05 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, 2022 and 2021, respectively).
7. The gain from changes in the fair value of biological assets for the year 2022 was Baht 3.51 million, compared to a gain of Baht 0.62 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 2022 was Baht 6.72 million, an increase of Baht 1.24 million from the same period of the previous year, which was Baht 5.48 million.



9. Finance cost for the year of 2022 was equal to Baht 2.27 million, compared to the same period of the previous year, which had an amount of Baht 3.03 million, decreased by Baht 0.76 million.
10. The corporate income tax expenses decreased by Baht 17.68 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 2022 and 2021 were Baht 3,366 million and Baht 3,737 million, respectively. Animal feed sales accounted for 98.96 percent of the Group's revenue, with animal breeding and crop farming accounting for the remaining 1.04 percent.

For the year 2022, animal feed products' sales portion is composed of 40 percent for land feed sales and 60 percent for aquatic feed sales.

In 2022, the Group's sales decreased by 9% compared with last year. Dividend income for the year 2022 and 2021 was Baht 4 million and Baht 42 million, respectively. Moreover, other income from the sale of by-products, fixed assets and others approximately amounted to Baht 12 million and Baht 9 million, respectively. The gain on equity instrument at fair value through profit or loss was approximately Baht 3 million and Baht 1 million, respectively. There was also a loss on financial assets at fair value to profit or loss amounting to Baht 6 million in 2022, compared to a gain of Baht 22 million in 2021.

Cost of sales

In the year 2022 and 2021, cost of sales amounted of Baht 3,173 million and Baht 3,454 million, respectively, representing 93.72 percent and 91.18 percent of sales, respectively. The decrease in cost of sales, amounting to Baht 281 million, was in the same line as decrease in sales. However, the cost of sales portion increased due to rising in raw material feed costs, fuel prices per unit, and electricity costs per unit.

Selling and Administrative Expenses

In the year 2022 and 2021, selling expenses of Baht 55 million and Baht 57 million, were incurred, representing 1.63 percent and 1.50 percent of total revenues, respectively. Selling expenses dropped by Baht 2 million. Administrative expenses were Baht 133 million and 138 million in 2022 and 2021, respectively. Administrative expenses decreased by Baht 5 million.



The Group had a reversal of allowance for expected credit losses — doubtful debts amounted to Baht 8 million in 2022, whereas allowance for doubtful debts was Baht 5 million in 2021. It decreased by Baht 13 million.

The Group had gain arising from changes in fair value of biological assets amounted to Baht 4 million and Baht 1 million for the year of 2022 and 2021, respectively. This was due to the revaluation of biological assets.

Finance Income and Cost

The Group had finance income approximately Baht 7 million and Baht 5 million in 2022 and 2021, respectively. Finance costs amounted of Baht 3 million and Baht 4 million in 2022 and 2021, respectively. Finance cost 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 18 million to Baht 6 million.

Net Profit

The net profit of the consolidated financial statement for the period ended 31 December 2022 was Baht 28 million and decreased by Baht 107 million, or 79 percent, compared to the prior year's net profit of Baht 135 million. Net profit margins were 0.84 percent in 2022 and 3.57 percent in 2021, respectively. The Group's performance was lower mainly due to the fact that gross profit of its feed business declined by Baht 90 million. This was because revenue from aquatic feeds, which had a higher gross profit than land feeds, only rose by Baht 187 million from the previous year. Meanwhile, revenue from land feed decreased by Baht 497 million from the prior year. In addition, feed raw material costs, fuel prices per unit, and electricity costs per unit had continued to rise throughout the year.

Other comprehensive income

The Group had other comprehensive income of Baht 13 million caused by actuarial gain after deducting deferred tax expenses. However, the Group had other comprehensive income of Baht 90 million caused by land revaluation after deducting deferred tax expenses.

Return on investment rate of shareholders

The rate of return on investment for shareholders fell by 3.89 percent in 2022, from 4.98 percent to be 1.09 percent. Because of the fall in net profit, the return on assets decreased from 5.09 percent in 2021 to 1.18 percent in 2022.



4.4 Financial Position

Assets

As at 31 December 2022 and 2021, The Group's total assets were Baht 3,051 million and Baht 3,238 million, respectively. For the year 2022 and 2021, the ratio of current assets to non-current assets is around 65: 35 and 67: 33, respectively.

Cash and cash equivalents, trade and other receivables, inventories, and other current financial assets were the primary current assets as of December 31, 2022 and 2021, accounting for about 64 and 66 percent of total assets for the year 2022 and 2021, respectively.

Trade and other receivables

As at 31 December 2022 and 2021, trade and other receivables totaled Baht 191 million and Baht 269 million, or 6 percent and 8 percent of total assets, respectively. In 2022 and 2021, the collection periods also were around 25 and 24 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 2022 and 2021, inventories net of provision for diminution value were Baht 728 million and Baht 766 million, respectively, representing roughly 24 percent of total assets for both years. The inventory turnover ratio was 86 days for 2022 and 80 days for 2021. 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 2022 and 2021, the Group had current investments amounting of Baht 950 million and Baht 1,041 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 2022 and 2021, fixed assets before deducting accumulated depreciation were Baht 2,546 million and Baht 2,542 million, respectively. A net increase amounting of Baht 4 million was caused by procurement machinery, office equipment and vehicles totaling Baht 51 million, disposal totaling Baht 47 million.

4.5 Sources of Fund

Liabilities

As at 31 December 2022 and 2021, the Group's total liabilities stated amounting of Baht 339 million and Baht 447 million, respectively. The ratio of total liabilities to total assets were 11.12 and 13.18 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 2022 and 2021, provision for long-term employee benefits were Baht 101 million and Baht 117 million, respectively, which decrease by Baht 16 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 2022 and 2021, the Group have been granted various types of credit facilities by several financial institutions of which Baht 985 million and Baht 969 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 2022, the shareholders' equity stated amounting of Baht 2,791 million, unappropriated retained earnings of approximately Baht 642 million. Board of Director Meeting No. 2/2023 held on 10th March 2023 approved to pay dividend for the year 2022 at Baht 0.03 per share, total of Baht 27,665,407.53. The dividend will be paid on 18th May 2023, which is paid from the operating result for the period from 1 January 2022 to 31 December 2022. The dividend payment is 32 percent of the separated financial statement's net profit (93 percent of the consolidated financial statement)

Appropriateness of the Capital Structure

As at 31 December 2022, debt to equity ratio is 0.13 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.

However, the Company's Board of Directors' meeting No. 1/2023 passed a resolution approving a program for management purposes to repurchase up to 90 million shares (par value of Baht 1 each), or 9.76 percent of the total number of shares in issue. The maximum budget of the program is Baht 240 million. The shares are to be repurchased on the Stock Exchange of Thailand from 2 March 2023 to 1 September 2023. The share resales period is determined after 3 months from the completion date of share repurchase but not later than 3 years.

As at 31 December 2022, the registered capital of the company amounts of Baht 929,070,000 shares, and, 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 102 million and Baht 90 million in 2022 and 2021, respectively, which decreased by Baht 12 million. The Group continuously maintains the policy of giving credit to customers concisely, which had an average collection period of 25 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 93 days, the Group had no long outstanding payables.



Cash Flow from Investment Activities

During the year 2022, the Group received for investment activities amount of Baht 55 million. The Group received from other current financial assets amounting of Baht 85 million. The Group also received interest income and dividend from other non-current financial assets amount of Baht 11 million and received cash from disposal assets amount of Baht 8 million. However, the Group procured machinery and intangible assets for operation of Baht 49 million.

Cash Flow from Financial Activities

In year 2022, the Group had cash outflow from financial activities amounting of Baht 136 million which increased by Baht 45 million. This was mainly because dividend paid in 2022 was lower than prior year and cash paid under lease agreements of Baht 15 million.

Liquidity Ratio

In year 2022 and 2021, the ratios of current assets to current liabilities were 10.19 and 8.17 times, respectively, which slightly decreased from last year. This was mainly because other current financial assets dropped by 32 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	: 28th 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	: http://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 37.50 million Common shares 3.75 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 2022, 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 maximize 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 business days of the transaction date. In addition, 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 8 persons, as follows:

- | | |
|---------------------------|-----------|
| - Executive directors | 3 persons |
| - Non-Executive directors | 1 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 02-632-7300 (extension 301 or 318), visiting the Company website at <http://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. 1/2023 dated on 24th February 2023, the company considered certain matters that could not apply for or have not adopted principles and record in the minutes of the meeting.

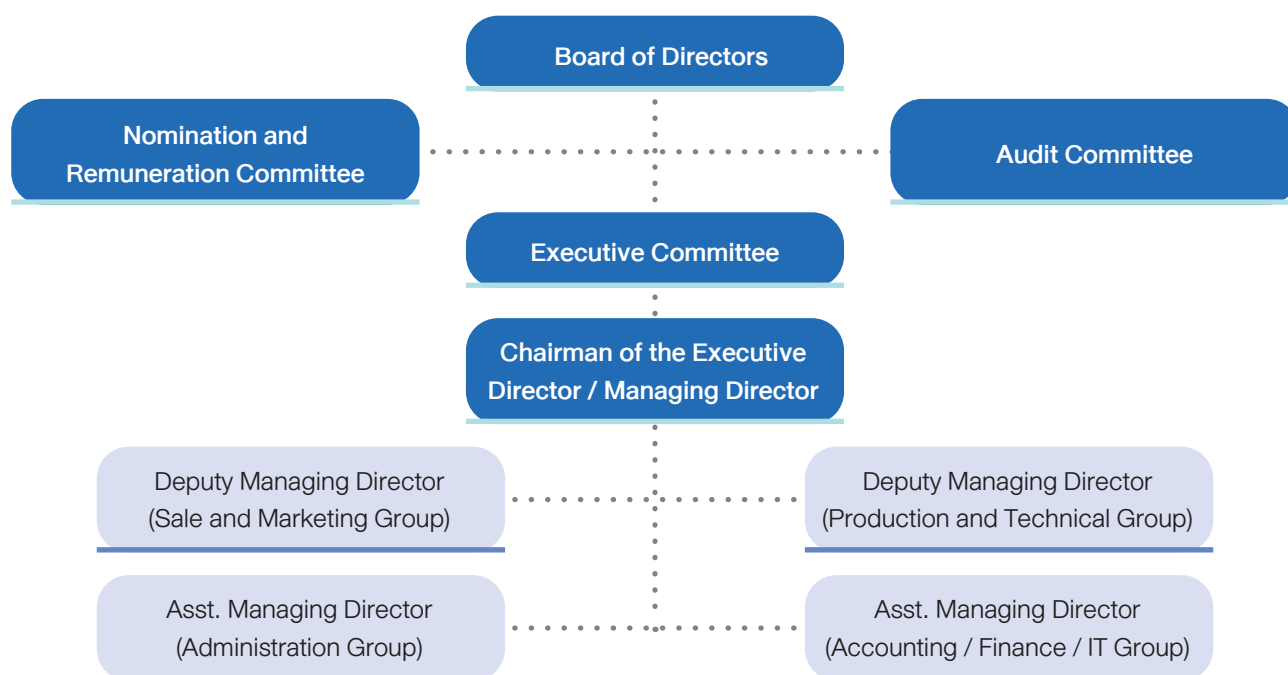
The Company has complied with the Code of best practices by annually its self- assessment. The Company also revised and reviewed the business ethics, the corporate governance policy, the anti-bribery and corruption policy and guidelines for performing duties of directors, executives and employees in 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:



Mr. Visith Leelasithorn

Chairman of the Board of Director



Mr. Busarin Vanaswas

Independent Director / Member
of the Audit Committee



Mr. Nipon Leelasithorn

Chairman of the Executive Director
and Managing Director



Mrs. Sununta Subhapholsiri

Independent Director / Member
of the Audit Committee



Mrs. Supaporn Chongvilaiwan

Director / Asst. Managing Director



Pol. Lt. Gen. Adisorn Nonsee

Independent Director and
Chairman of the Nomination
and Remuneration Committee



**Assoc.Prof.Dr. Somjai
Phagaphasvivat**

Independent Director / Chairman
of the Audit Committee



Mr. Somsak Tiensriyuka

Director / Secretary of the Board

* Mr. Karoon Chanmingporn has resigned as the Director of the Company with effect from 9 March 2022.



Directors empowered to act as signatories with the authority to commit the Company consist of Mr. Visith Leelasithorn, Mr. Nipon Leelasithorn, Mrs. Supaporn Chongvilaiwan, and Mr. Somsak Tiensriyuka, two directors of four 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 Ruangrotekae 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 of 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 outing 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 |

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 Tiansriyuka | 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 the 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 10, 2022 and January 31, 2023 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, 2022, the Company and its subsidiaries have the following numbers of employees:

(Unit: Persons)

Major Fields	Monthly	Daily	Total
Head office	149	-	149
Feed factory	286	211	497
Farm business	8	23	31
Total	443	234	677

The Group has never had any labor disputes since its inception over 40 years ago. Employee expenses for 2022 consist of salaries, bonuses, commissions, and provident fund contributions. Employee social security and other employee benefits amount to approximately 296 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 2020 to 2022 to EY Office Limited as follows:

Detail	Company Payment	Name of Audit	Year 2020	Year 2021	Year 2022
1	Lee Feed Mill Public Company Limited	Mr. Supachai Phanyawattano	1,440,000	1,440,000	1,440,000
2	Lee Pattana Feed Mill Company Limited	Mr. Supachai Phanyawattano	560,000	560,000	560,000
3	Lee Pattana Agro Silo Company Limited	Mr. Supachai Phanyawattano	150,000	150,000	150,000
4	Bodhi Ngarm Sea Farm Company Limited	Mr. Supachai Phanyawattano	80,000	80,000	80,000
5	P A F (2020) Company Limited	Mr. Supachai Phanyawattano	120,000	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 2020 to 2022 as shown in the following details.

- The Company does not pay any fees other than the audit fees for the year 2020 - 2022
- 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 2022, 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	
	2021	2022	2021	2022	2021	2022
1. Mr. Visith Leelasithorn	2/4	4/4	1/1	1/1	3/5	5/5
2. Mr. Nipon Leelasithorn	4/4	4/4	1/1	1/1	5/5	5/5
3. Mr. Karoon Chanmingporn (Resigned)	1/4	-	1/1	-	2/5	-
4. Mrs. Supaporn Chongvilaiwan	3/4	3/4	1/1	1/1	4/5	4/5
5. Assoc. Prof. Dr. Somjai Phagaphasvivat	4/4	4/4	1/1	1/1	5/5	5/5
6. Mrs. Sununta Subhapholsiri	4/4	4/4	1/1	1/1	5/5	5/5
7. Mr. Busarin Vanaswas	4/4	4/4	1/1	1/1	5/5	5/5
8. Pol. Lt. Gen Adisorn Nonsee	4/4	4/4	1/1	1/1	5/5	5/5
9. Mr.Somsak Tiensriyuka	4/4	4/4	1/1	1/1	5/5	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 directors 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 statement 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 2022 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

- The company directors earned compensation of 1,135,000 Baht each year in 2020 and 2021 and 600,000 Baht in 2022, as detailed below:



Name	Position	Amount (Baht)		
		2020	2021	2022
1. Mr. Visith Leelasithorn	Chairman of the Board of Directors	345,000	345,000	195,000
2. Mr. Nipon Leelasithorn	Chairman of Executive Director / Managing Director	125,000	125,000	75,000
3. Mr. Karoon Chanmingporn	Director (Resigned as 9/3/22)	95,000	95,000	-
4. Mrs. Supaporn Chongvilaiwan	Asst. Managing Director	95,000	95,000	55,000
5. Assoc. Prof. Dr. Somjai Phagaphasvivat	Chairman of the Audit Committee / Independent Director	95,000	95,000	55,000
6. Mr. Busarin Vanaswas	Member of the Audit Committee / Independent Director	95,000	95,000	55,000
7. Mrs. Sununta Subhapholsiri	Member of the Audit Committee / Independent Director	95,000	95,000	55,000
8. Pol. Lt. Gen Adisorn Nonsee	Independent Director	95,000	95,000	55,000
9. Mr. Somsak Tiansriyuka	Director / Secretary of the Board of Directors	95,000	95,000	55,000
Total		1,135,000	1,135,000	600,000

- The directors and four executive directors received compensation for their management of the Company in the form of salaries, bonuses, social security and provident fund. This amounted to 12.68 million baht, 12.73 million baht and 11.62 million baht for 2020 - 2022 respectively.

- For the fiscal years 2020 - 2022, 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)		
		2020	2021	2022
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 Audit Committee has performed its duties and responsibilities as assigned by the Board of Directors of Lee Feed Mill Public Company Limited to monitoring the Company's operation to ensure that managements and directors have performed their duties to the Company's shareholder with honesty, responsibility and performed under the Company's policy. The Audit Committee consists of three independent directors as follows.

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

During the year 2022, the Audit Committee held 4 meetings, the Audit Committee has conducted the major activities under the scope of duties and responsibilities assigned by the Board of Directors. In the year 2022, the Audit Committee has considered and reviewed important matters which can be summarized as follows.

1. To consider Internal Control System Sufficiency, the Audit Committee has considered the internal control system sufficiency without any conflict or against law and government regulations, as well as giving opinion and suggestion in any issues to increase internal control system efficiency and pass to management team to consider and process accordingly.
2. To consider financial statement accuracy, sufficiency, suitability, the Audit Committee reviewed the Company's quarterly and annual financial statements with the management and certified public accountants to acknowledge and discuss the opinions of the certified public accountant and issues found from reviews. The Audit Committee inquired with the certified public accountants regarding financial statement accuracy, sufficiency and suitability of the methods for recording accounts and the scope of information disclosure completely and sufficiently, including modifications to significant accounting transactions and estimates with effects on financial statements, in order to ensure that financial statement preparations are consistent with specifications of the law and ensure that accounting standards based on generally certified accounting principles are reliable and up-to-date. The Audit Committee's opinions are consistent with the certified public accountant in that the aforementioned financial statement was accurately prepared in terms of significant contents in compliance with financial report standards.
3. To consider reviewing compliance with the law and government sector regulations, the Audit Committee has reviewed compliance with the law and government sector regulations. The Audit Committee reviewed the Company's compliance with the laws governing securities and exchanges, the Stock Exchange of Thailand specifications and laws related to the Company's business. The Audit Committee noticed no significant issues regarding non-compliance with the laws governing securities and exchange, the Stock Exchange of Thailand specifications and the related laws.
4. To consider approval the reports that must be disclosed to the institute, the Audit Committee has taken under consideration and approved the reports that must be disclosed such as the Annual Report 2022 Form 56-1 One Report also information that related to duties and responsibilities of the Audit Committee such as to give approve the connected transaction happened for the year 2022, related party transaction disclosures and the annual Audit Committee report for the year 2022.



5. To consider selection, nominating and proposing remuneration for the certified public accountant for the year 2023, the Audit Committee consider to Mr. Preecha Arunnara and / or Mr. Kittiphun Kiatsomphob and / or Mr. Vatcharin Pasaraponggun from EY Office Limited to be certified public accountants of the Company and subsidiaries by considering qualifications and independence under SEC criteria, including past performance. In addition, the Audit Committee considered suitable remuneration rate was compared with other comparable auditors for presentation to the Board of directors to propose the issue for approval from the annual general meeting of shareholders.

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: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	79,248	160,063
Interest income	-	-	15,929	14,944
Purchase of goods	-	-	112,346	190,643
Rental expenses	-	-	1,140	1,140
<u>Transactions with related companies</u>				
Rental and service expenses	14,797	14,755	7,172	7,147

The pricing policies of the Group are as follows.

- 1) Sales/purchases of goods are made at market prices or reference to market prices.
- 2) Rental and service expenses are based on contract prices or rates.
- 3) Interest income are charged at rates with reference to financial institute

The balances of the accounts as at 31 December 2022 and 2021 between the Company and its subsidiary company are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	1,299	4,003
<u>Trade and other payables - related parties (Note 16)</u>				
Subsidiaries	-	-	2,096	3,703
<u>Lease liabilities - related parties</u>				
Subsidiary	-	-	1,113	-
Related companies (related by common shareholders)	17,303	22,975	7,206	8,950
Total lease liabilities - related parties	17,303	22,975	8,319	8,950



Short-term loans to Lee Pattana Feed Mill Co., Ltd.

(Unit: Thousand Baht)

	Separate financial statements
Balance as at 1 January 2022	310,000
Increase	414,000
Decrease	(464,000)
Balance as at 31 December 2022	260,000

As at 31 December 2022, short term loan carries interest at rate 6.35 per annum (2021: 5.88 per annum), due for repayment on call and unsecured collateral.

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 Co., Ltd. for the entire 28th floor of the Wall Street Tower Building, which has served 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 Co., Ltd., and Alliance Co., 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 1-3 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 2022, 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 2022, 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	175,500	29.25
3. Mr.Visith Leelasithorn	60,000	10.00
4. Mr.Nipon Leelasithorn	165,500	27.58
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 9.1 million (2021: Baht 10.5 million) (the Company only: Baht 4.6 million (2021: Baht 6.1 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 985 million (2021: Baht 969 million) (The Company Only: Baht 752 million (2021: Baht 759 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 the Board of Directors, the Audit Committee, and shareholders. 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 that 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 2022, 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 2022, 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 including Independence Standards* as issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 sale 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 2023



Statement of financial position

Lee Feed Mill Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	82,039,276	60,890,839	57,988,293	34,657,738
Trade and other receivables	8	191,003,121	268,924,060	142,280,348	142,567,796
Short-term loans to related party	6	-	-	260,000,000	310,000,000
Inventories	9	728,177,445	766,791,849	364,829,535	318,461,017
Current biological assets	10	15,119,510	11,170,964	15,119,510	11,170,964
Other current financial assets	11	950,472,167	1,041,250,395	940,472,167	1,024,250,395
Other current assets		4,720,485	5,093,216	2,526,969	2,541,299
Total current assets		1,971,532,004	2,154,121,323	1,783,216,822	1,843,649,209
Non-current assets					
Other non-current financial assets	12	36,819,375	33,980,395	36,819,375	33,980,395
Investments in subsidiaries	13	-	-	215,784,556	215,784,556
Investment properties	14	14,840,200	14,840,200	14,528,200	14,528,200
Property, plant and equipment	15	981,971,484	980,238,881	507,145,267	499,441,171
Right-of-use assets	17	16,202,720	22,003,086	7,959,419	8,783,814
Intangible assets - computer software		5,620,483	6,513,154	5,105,087	6,204,589
Non-current biological assets	10	17,470,407	20,502,485	17,470,407	20,502,485
Deferred tax assets	23	504,463	494,606	-	-
Other non-current assets		6,483,565	4,829,522	3,179,591	2,499,713
Total non-current assets		1,079,912,697	1,083,402,329	807,991,902	801,724,923
Total assets		3,051,444,701	3,237,523,652	2,591,208,724	2,645,374,132

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 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	16	168,276,073	246,510,372	96,056,114	120,841,289
Current portion of lease liabilities	17	14,413,920	10,108,161	8,250,216	4,578,189
Income tax payable		9,254,964	4,953,458	9,247,318	4,945,906
Other current liabilities		1,457,383	2,131,458	658,557	1,369,846
Total current liabilities		193,402,340	263,703,449	114,212,205	131,735,230
Non-current liabilities					
Lease liabilities, net of current portion	17	3,046,778	13,248,739	226,423	4,753,929
Deferred tax liabilities	23	37,804,623	49,242,871	29,745,699	28,147,455
Provision for long-term employee benefits	18	101,314,975	117,030,487	49,658,724	58,983,589
Other non-current liabilities		3,654,496	3,749,786	3,352,695	3,344,774
Total non-current liabilities		145,820,872	183,271,883	82,983,541	95,229,747
Total liabilities		339,223,212	446,975,332	197,195,746	226,964,977
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	19	122,500,000	122,500,000	122,500,000	122,500,000
Unappropriated		641,601,163	718,845,452	502,250,801	526,646,978
Other components of shareholders' equity	20	315,701,029	315,701,029	165,736,534	165,736,534
Equity attributable to owners of the Company		2,683,327,835	2,760,572,124	2,394,012,978	2,418,409,155
Non-controlling interests of the subsidiaries		28,893,654	29,976,196	-	-
Total shareholders' equity		2,712,221,489	2,790,548,320	2,394,012,978	2,418,409,155
Total liabilities and shareholders' equity		3,051,444,701	3,237,523,652	2,591,208,724	2,645,374,132

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Sales		3,365,659,796	3,736,893,216	1,781,648,869	1,795,005,022
Other income					
Dividend income		4,456,368	41,657,990	4,456,368	41,657,990
Gain on non-listed equity instrument at fair value through profit or loss	12	2,838,980	956,483	2,838,980	956,483
Others		12,334,885	8,595,650	6,113,546	5,126,792
Total revenues		3,385,290,029	3,788,103,339	1,795,057,763	1,842,746,287
Expenses					
Cost of sales		3,172,758,767	3,454,051,248	1,607,843,223	1,586,030,872
Selling expenses		55,313,235	56,701,718	35,513,235	35,208,965
Administrative expenses		132,538,728	137,861,455	72,875,929	75,694,741
Expected credit losses (reversal)	8	(8,085,181)	5,258,800	(9,097,091)	6,461,569
Loss (gain) on financial assets at fair value to profit or loss	11	6,009,164	(22,042,604)	6,009,164	(22,042,604)
Gain arising from changes in fair value of biological assets	10	(3,510,289)	(615,305)	(3,510,289)	(615,305)
Total expenses		3,355,024,424	3,631,215,312	1,709,634,171	1,680,738,238
Operating profit		30,265,605	156,888,027	85,423,592	162,008,049
Finance income	21	6,725,640	5,483,724	21,900,729	20,131,616
Finance cost		(2,272,027)	(3,031,767)	(1,080,457)	(1,365,176)
Profit before income tax expenses		34,719,218	159,339,984	106,243,864	180,774,489
Income tax expenses	23	(6,387,410)	(24,062,942)	(19,445,750)	(29,207,672)
Profit for the year		28,331,808	135,277,042	86,798,114	151,566,817

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
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
Actuarial gain	18	16,518,006	-	10,848,281	-
Less: Income tax effect	23	(3,303,601)	(22,081,079)	(2,169,656)	(20,741,087)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
- net of income tax		13,214,405	89,986,424	8,678,625	82,964,351
Other comprehensive income for the year		13,214,405	89,986,424	8,678,625	82,964,351
Total comprehensive income for the year		41,546,213	225,263,466	95,476,739	234,531,168
Profit attributable to:					
Equity holders of the Company		29,650,555	136,078,523	86,798,114	151,566,817
Non-controlling interests of the subsidiaries		(1,318,747)	(801,481)		
		28,331,808	135,277,042		
Total comprehensive income attributable to:					
Equity holders of the Company		42,628,627	225,996,176	95,476,739	234,531,168
Non-controlling interests of the subsidiaries		(1,082,414)	(732,710)		
		41,546,213	225,263,466		
Earnings per share	25				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.03	0.15	0.09	0.16

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 2022

(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	Total equity attributable to shareholders of the Company		
			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	30,708,906	2,731,277,299
Profit (loss) for the year	-	-	-	136,078,523	-	136,078,523	(801,481)	135,277,042
Other comprehensive income for the year	-	-	-	-	89,917,653	89,917,653	68,771	89,986,424
Total comprehensive income for the year	-	-	-	136,078,523	89,917,653	225,996,176	(732,710)	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	29,976,196	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 2022

(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	Total equity attributable to shareholders of the Company		
			Appropriated – Statutory reserve	Unappropriated	Other comprehensive income Revaluation surplus on land			
Balance as at 1 January 2022	922,180,251	681,345,392	122,500,000	718,845,452	315,701,029	2,760,572,124	29,976,196	2,790,548,320
Profit (loss) for the year	-	-	-	29,650,555	-	29,650,555	(1,318,747)	28,331,808
Other comprehensive income for the year	-	-	-	12,978,072	-	12,978,072	236,333	13,214,405
Total comprehensive income for the year	-	-	-	42,628,627	-	42,628,627	(1,082,414)	41,546,213
Dividend paid (Note 28)	-	-	-	(119,872,916)	-	(119,872,916)	-	(119,872,916)
Dividend paid by subsidiary to non-controlling interests of the subsidiary (Note 13)	-	-	-	-	-	-	(128)	(128)
Balance as at 31 December 2022	922,180,251	681,345,392	122,500,000	641,601,163	315,701,029	2,683,327,835	28,893,654	2,712,221,489

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 2022

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		Other components of equity Other comprehensive income	
			Appropriated - Statutory reserve	Unappropriated	Revaluation surplus on land	
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.



Statement of changes in shareholders' equity (continued)

Lee Feed Mill Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		Other components of equity Other comprehensive income	
			Appropriated - Statutory reserve	Unappropriated	Revaluation surplus on land	
Balance as at 1 January 2022	922,180,251	681,345,392	122,500,000	526,646,978	165,736,534	2,418,409,155
Profit for the year	-	-	-	86,798,114	-	86,798,114
Other comprehensive income for the year	-	-	-	8,678,625	-	8,678,625
Total comprehensive income for the year	-	-	-	95,476,739	-	95,476,739
Dividend paid (Note 28)	-	-	-	(119,872,916)	-	(119,872,916)
Balance as at 31 December 2022	922,180,251	681,345,392	122,500,000	502,250,801	165,736,534	2,394,012,978

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 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax	34,719,218	159,339,984	106,243,864	180,774,489
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on other current financial assets	10,325,466	(48,643,248)	10,325,466	(48,643,248)
Loss (gain) on sales of other current financial assets	(4,316,302)	26,600,644	(4,316,302)	26,600,644
Unrealised gain on equity instrument at fair value through profit or loss	(2,838,980)	(956,483)	(2,838,980)	(956,483)
Expected credit losses (reversal)	(8,085,183)	5,258,800	(9,097,092)	6,461,569
Reduction of inventories to net realisable value (reversal)	(534,765)	(579,434)	38,613	224,992
Gain arising from change in fair value of biological assets	(3,510,289)	(615,305)	(3,510,289)	(615,305)
Increase in fair value of investment properties	-	(836,207)	-	(773,613)
Depreciation and amortisation	63,174,161	64,569,673	30,583,071	30,900,897
Gain on sales of equipments	(7,322,973)	(4,297,746)	(2,481,117)	(2,616,166)
Provision for long-term employee benefits	10,711,496	10,496,492	5,566,547	5,590,589
Dividend received from financial assets	(4,456,368)	(41,657,990)	(4,456,368)	(41,657,990)
Unrealised loss (gain) on exchange rate	673,955	85,875	562,154	(65,107)
Finance income	(6,725,641)	(5,483,724)	(21,900,729)	(20,131,616)
Finance cost	1,376,480	1,761,407	684,002	771,392
Profit from operating activities before changes in operating assets and liabilities	83,190,275	165,042,738	105,402,840	135,865,044
Operating assets (increase) decrease				
Trade and other receivables	85,730,475	(43,001,308)	9,388,450	(7,267,157)
Inventories	39,149,169	(27,988,099)	(46,407,132)	(39,379,513)
Current biological assets	(438,257)	(4,165,878)	(438,257)	(4,165,878)
Other current assets	113,398	811,482	14,330	633,164
Non-current biological assets	3,032,079	288,997	3,032,079	288,997
Other non-current assets	(1,654,043)	144,985	(679,878)	70,085

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 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Operating liabilities increase (decrease)				
Trade and other payables	(80,954,527)	48,637,326	(26,906,824)	18,183,851
Other current liabilities	68,487	75,262	31,276	260,425
Cash paid for long-term employee benefits	(9,909,002)	(3,820,740)	(4,043,132)	(2,004,667)
Other non-current liabilities	(95,290)	(989,333)	7,922	10,667
Cash flows from operating activities	118,232,764	135,035,432	39,401,674	102,495,018
Cash paid for interest expenses	(2,119)	(3,467)	(620)	(1,092)
Cash paid for corporate income tax	(16,578,278)	(45,015,606)	(15,715,752)	(37,910,539)
Net cash flows from operating activities	101,652,367	90,016,359	23,685,302	64,583,387
Cash flows from investing activities				
Decrease in other current financial assets	84,769,063	162,472,801	77,769,063	160,472,801
Increase in short-term loans to subsidiaries	-	-	(414,000,000)	(549,010,000)
Cash received from repayment of short-term loans to subsidiaries	-	-	464,000,000	518,010,000
Acquisition of equipment and intangible assets	(48,999,293)	(93,655,710)	(28,150,381)	(65,483,100)
Proceeds from sales of equipment	7,921,390	4,935,070	2,841,000	2,821,070
Dividend income from financial assets	4,456,368	41,657,990	4,456,368	41,657,990
Interest income	7,001,287	6,530,798	21,896,819	21,103,313
Net cash flows from investing activities	55,148,815	121,940,949	128,812,869	129,572,074
Cash flows from financing activities				
Cash paid under lease agreements	(15,037,140)	(14,994,881)	(8,552,139)	(8,526,916)
Dividend paid	(120,615,477)	(165,966,086)	(120,615,477)	(165,966,086)
Dividend of the subsidiary paid to non-controlling interest	(128)	-	-	-
Net cash flows used in financing activities	(135,652,745)	(180,960,967)	(129,167,616)	(174,493,002)
Net increase in cash and cash equivalents	21,148,437	30,996,341	23,330,555	19,662,459
Cash and cash equivalents at beginning of year	60,890,839	29,894,498	34,657,738	14,995,279
Cash and cash equivalents at end of year	82,039,276	60,890,839	57,988,293	34,657,738

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 2022

1. General information

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.

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 incorporated in Thailand (Collectively as "the Group"):



(Unit: Million Baht)

Company's name	Nature of business	Paid-up capital		Percentage of shareholding	
		2022	2021	2022 (%)	2021 (%)
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 manufacture	38	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 2022. These financial reporting standards are 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 2023

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 2023. These financial reporting standards are 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 Group classifies the biological assets that have farming cycle shorter than 1 year as current biological assets and classifies the biological assets that have farming cycle longer than 1 year as non-current biological assets.

The fair value of breeder pigs is determined based on discounted cash flows. The fair value of piglets, laying ducks, aquatic animals, teak and eucalyptus are determined based on reference to 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 biological asset becomes reliably measurable, the Group shall measure it at its fair value less costs to sell.

4.5 Investments in subsidiaries

Investments in subsidiaries 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 for 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 fair 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 are 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 are 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 asset.

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 with finite useful lives of 5 - 10 years is amortised on the straight-line basis over the economic useful lives 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. Amortisation is recognised as expense in 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 (except for goodwill), 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 treats 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 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 its 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: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	79,248	160,063
Interest income	-	-	15,929	14,944
Purchase of goods	-	-	112,346	190,643
Rental expenses	-	-	1,140	1,140
<u>Transactions with related companies</u>				
Rental and service expenses	14,797	14,755	7,172	7,147

The pricing policies of the Group are as follows.

- 1) Sales/purchases of goods are made at market prices or reference to market prices.
- 2) Rental and service expenses are based on contract prices or rates.
- 3) Interest income are charged at rates with reference to financial institute.

As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related companies were as follows:



(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Trade and other receivable - related party</u> (Note 8)				
Subsidiary	-	-	1,299	4,003
<u>Trade and other payables - related parties</u> (Note 16)				
Subsidiaries	-	-	2,096	3,703
<u>Lease liabilities - related parties</u>				
Subsidiary	-	-	1,113	-
Related companies (related by common shareholders)	17,303	22,975	7,206	8,950
Total lease liabilities - related parties	17,303	22,975	8,319	8,950

Short-term loan to Lee Pattana Feed Mill Co., Ltd.

(Unit: Thousand Baht)

	Separate financial statements
Balance as at 1 January 2022	310,000
Increase	414,000
Decrease	(464,000)
Balance as at 31 December 2022	260,000

As at 31 December 2022, short term loan carries interest at rate 6.35 per annum (2021: 5.88 per annum), due for repayment on call and unsecured collateral.



Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	10,539	11,646	5,302	6,105
Post-employment benefits	1,080	1,080	458	459
Total	11,619	12,726	5,760	6,564

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	
	2022	2021	2022	2021
Cash	1,129	974	605	594
Bank deposits	80,910	59,917	57,383	34,064
Total	82,039	60,891	57,988	34,658

As at 31 December 2022, bank deposits in saving accounts carried interest rates between 0.10 to 0.35 percent per annum (2021: between 0.05 to 0.25 percent per annum).



8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Trade receivable - related party (Note 6)</u>				
Age on the basis of due dates				
Not yet due	-	-	421	3,361
Past due up to 3 months	-	-	8	-
Total	-	-	429	3,361
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	110,187	173,908	76,136	63,844
Past due				
Up to 3 months	52,371	46,596	38,268	29,559
3 - 6 months	7,491	23,589	6,363	21,878
6 - 12 months	1,745	11,345	1,263	11,326
Over 12 months	51,446	53,570	44,473	46,360
Total	223,240	309,008	166,503	172,967
Less: Allowance for expected credit losses	(32,417)	(40,502)	(25,671)	(34,768)
Total trade receivables - unrelated parties, net	190,823	268,506	140,832	138,199
Total trade receivables - net	190,823	268,506	141,261	141,560
<u>Other receivables</u>				
Other receivable - unrelated parties	38	-	38	-
Other receivable - related party (Note 6)	-	-	463	493
Interest receivable - financial institutions	142	418	111	366
Interest receivable - related party (Note 6)	-	-	407	149
Total other receivables	180	418	1,019	1,008
Total trade and other receivables - net	191,003	268,924	142,280	142,568

The normal credit terms are 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	
	2022	2021	2022	2021
Beginning balance	40,502	35,244	34,768	28,306
Allowance for expected credit losses (reversal)	(8,085)	6,278	(9,097)	6,967
Amount written off	-	(1,020)	-	(505)
Ending balance	32,417	40,502	25,671	34,768

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	116,414	112,619	(243)	(1,001)	116,171	111,618
Work in process	1,974	1,283	-	-	1,974	1,283
Raw materials	433,220	482,257	-	-	433,220	482,257
Packing materials	59,561	45,944	(1,835)	(1,612)	57,726	44,332
Spare parts and factory supplies	85,204	74,995	-	-	85,204	74,995
Spare parts and factory supplies in transit	678	4,284	-	-	678	4,284
Raw materials in transit	32,183	46,827	-	-	32,183	46,827
Raw materials used in farming	1,021	1,196	-	-	1,021	1,196
Total	730,255	769,405	(2,078)	(2,613)	728,177	766,792



(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories – net	
	2022	2021	2022	2021	2022	2021
Finished goods	62,195	53,415	(68)	(93)	62,127	53,322
Work in process	-	539	-	-	-	539
Raw materials	203,303	178,618	-	-	203,303	178,618
Packing materials	25,832	21,591	(507)	(443)	25,325	21,148
Spare parts and factory supplies	45,365	40,270	-	-	45,365	40,270
Spare parts and factory supplies in transit	13	1,872	-	-	13	1,872
Raw materials in transit	27,676	21,496	-	-	27,676	21,496
Raw materials used in farming	1,021	1,196	-	-	1,021	1,196
Total	365,405	318,997	(575)	(536)	364,830	318,461

During the current year, the Group reduced cost of inventories by Baht 0.22 million (2021: Baht 0.32 million) (the Company only: Baht 0.06 million (2021: Baht 0.22 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 0.76 million (2021: Baht 0.90 million) (the Company only: Baht 0.03 million (2021: Nil)), and reduced the amount of inventories recognised as expenses during the year.

10. Biological assets

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements	
	2022	2021
Current biological assets	15,120	11,171
Non-current biological assets	17,470	20,502
Total biological assets	32,590	31,673



Movements in the biological assets account during the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements	
	2022	2021
Net book value at beginning of year	31,673	27,181
Increase due to purchase/raising	36,267	37,700
Decrease due to sales/harvest	(38,860)	(33,823)
Gain arising from changes in fair value of biological assets for the year	3,510	615
Net book value at end of year	32,590	31,673

11. Other current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Debt instruments at amortised cost</u>				
Fixed deposits and certificate of deposits	18,307	341,436	8,307	324,436
Government bonds	750,887	406,190	750,887	406,190
Total	769,194	747,626	759,194	730,626
<u>Financial assets at fair value through profit or loss</u>				
Equity instruments of listed companies	43,685	54,462	43,685	54,462
Unit trusts in mutual funds	137,593	239,162	137,593	239,162
Total	181,278	293,624	181,278	293,624
Total other current financial assets - net	950,472	1,041,250	940,472	1,024,250



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

(Unit: Thousand Baht)

	2022		
	Consolidated/Separate financial statements		
	Equity instruments of listed companies	Unit trusts in mutual funds	Total
Net book value as at 1 January 2022	54,462	239,162	293,624
Purchases during the year	143,335	1,128,000	1,271,335
Disposals during the year	(147,672)	(1,230,000)	(1,377,672)
Gain on sales during the year	3,826	490	4,316
Loss on fair value adjustments	(10,266)	(59)	(10,325)
Net book value as at 31 December 2022	43,685	137,593	181,278

(Unit: Thousand Baht)

	2021			
	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 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



12. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements	
	2022	2021
<u>Debt instruments at amortised cost</u>		
Held-to-maturity private debt securities	10,000	10,000
<u>Equity instruments 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	8,494	5,655
Total equity instrument at fair value through profit or loss	26,819	23,980
Total other non-current financial asset	36,819	33,980

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	
	2022	2021	2022	2021
Lee Pattana Feed Mill Co., Ltd.	190	190	-	-
P A F (2020) Co., Ltd.	21	21	-	-
Bodhi Ngarm Sea Farm Co., Ltd.	5	5	-	-
Total	216	216	-	-



13.2 Lee Pattana Agro Silo Co., Ltd. ("LPAS")

On 29 September 2022, the Extraordinary General Meeting of LPAS's shareholders passed the following significant resolutions:

- Approval of an interim dividend payment of Baht 2 per share, or a total Baht 30 million, from the operating results for the eight-month period ended 31 August 2022. The interim dividend was already paid on 30 September 2022.
- Approval of the reduction of its registered share capital by Baht 112.5 million (11.25 million share, a par value of Baht 10 per share) from the registered share capital of Baht 150 million (15 million share, a par value of Baht 10 per share) to Baht 37.5 million (3.75 million share, a par value of Baht 10 per share) by decreasing its share capital in proportion of existing shareholding.

14. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance at beginning of year	14,840	14,004	14,528	13,755
Net gain from a fair value adjustment	-	836	-	773
Balance at end of year	14,840	14,840	14,528	14,528

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

The Group's management believes that the current valuation does not significantly different from the previous one.



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 2021	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
Additions	-	675	5,750	2,328	11,559	30,202	50,514
Disposals	-	-	(26,149)	(2,283)	(18,429)	-	(46,861)
Transfers	-	3,480	2,212	-	-	(5,692)	-
As at 31 December 2022	508,444	530,251	895,209	186,515	134,259	291,337	2,546,015

Accumulated depreciation:

As at 1 January 2021	-	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
Depreciation for the year	-	12,207	17,908	4,865	13,204	-	48,184
Depreciation on disposals	-	-	(26,149)	(2,283)	(17,831)	-	(46,263)
As at 31 December 2022	-	455,425	822,963	178,218	107,438	-	1,564,044

Net book value:

As at 31 December 2021	508,444	82,878	82,192	10,834	29,064	266,827	980,239
As at 31 December 2022	508,444	74,826	72,246	8,297	26,821	291,337	981,971

Depreciation for the year

2021 (Baht 35 million included in manufacturing cost, and the balance in selling and administrative expenses)

49,645

2022 (Baht 34 million included in manufacturing cost, and the balance in selling and administrative expenses)

48,184



(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 2021	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
Additions	-	675	3,028	1,290	8,035	16,417	29,445
Disposals	-	-	-	(715)	(8,266)	-	(8,981)
Transfer	-	394	-	-	-	(394)	-
As at 31 December 2022	276,423	323,157	407,454	115,411	84,918	149,026	1,356,389

Accumulated depreciation:

As at 1 January 2021	-	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
Depreciation for the year	-	5,670	4,670	2,546	8,495	-	21,381
Depreciation on disposals	-	-	-	(715)	(7,906)	-	(8,621)
As at 31 December 2022	-	282,976	388,629	110,539	67,100	-	849,244

Net book value:

As at 31 December 2021	276,423	44,782	20,467	6,128	18,638	133,003	499,441
As at 31 December 2022	276,423	40,181	18,825	4,872	17,818	149,026	507,145

Depreciation for the year

2021 (Baht 13 million included in manufacturing cost, and the balance in selling and administrative expenses)	21,745
2022 (Baht 12 million included in manufacturing cost, and the balance in selling and administrative expenses)	21,380



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

The Group had the land been carried in the financial statements on a historical cost basis, their net book values as of 31 December 2022 and 2021 would have been amounted to approximately Baht 105 million (the Company only: Baht 69 million).

As at 31 December 2022, 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 1,260 million (2021: Baht 1,245 million) (the Company only: Baht 740 million (2021: Baht 706 million)).

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payables - unrelated parties	126,757	190,471	73,681	88,052
Trade payables - related parties (Note 6)	-	-	2,096	3,703
Other accounts payable	11,593	16,423	4,834	9,166
Accrued expenses	29,926	39,616	15,445	19,920
Total trade and other payables	168,276	246,510	96,056	120,841



17. 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 2021	35,511	16,578
Depreciation for the year	(13,508)	(7,794)
As at 31 December 2022	22,003	8,784
Additions	7,766	7,013
Depreciation for the year	(13,566)	(7,838)
31 December 2022	16,203	7,959

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Lease payments	18,179	25,036	8,701	9,872
Less: Deferred interest expenses	(718)	(1,679)	(225)	(540)
Total	17,461	23,357	8,476	9,332
Less: Portion due within one year	(14,414)	(10,108)	(8,250)	(4,578)
Lease liabilities - net of current portion	3,047	13,249	226	4,754



Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance at beginning of year	23,357	36,595	9,332	17,089
Additions	7,766	-	7,013	-
Repayments	(13,662)	(13,238)	(7,869)	(7,757)
Balance at end of year	17,461	23,357	8,476	9,332

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	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	13,566	13,508	7,838	7,794
Interest expense on lease liabilities	1,374	1,757	683	770

d) Other

The Group has total cash outflows for leases for the year ended 31 December 2022 and 2021 amounted to approximately of Baht 15 million per annum (the Company only: Baht 9 million per annum).



18. 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	
	2022	2021	2022	2021
Provision for long-term post employee benefits at beginning of year	116,415	109,874	58,658	55,140
Included in profit or loss:				
Current service cost	9,198	8,840	4,757	4,692
Interest cost	1,576	1,522	843	831
Included in other comprehensive income:				
Actuarial gains arising from				
Demographic assumptions changes	(883)	-	(630)	-
Financial assumptions changes	(8,463)	-	(4,570)	-
Experience adjustments	(7,172)	-	(5,648)	-
Benefits paid during the year	(9,799)	(3,821)	(3,963)	(2,005)
Provision for long-term post employee benefits at end of year	100,872	116,415	49,447	58,658
Provision for other long-term employee benefits at end of year	443	615	212	325
Provision for long-term employee benefits at end of year	101,315	117,030	49,659	58,983

The Group expects to pay Baht 15 million of long-term employee benefits during the next year (2021: Baht 8 million) (the Company only: Baht 9 million (2021: Baht 5 million)).

As at 31 December 2022, the weighted average durations of the liabilities for long-term employee benefit are 8 years (2021: 10 years) (the Company only: 9 years (2021: 11 years)).



Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	2.37 - 3.35	1.50 - 1.61	2.38	1.61
Salary increase rate	1.20 - 2.40	1.50 - 3.00	1.20 - 2.40	1.50 - 3.00
Turnover rate	1.50 - 35.00	1.00 - 35.00	1.50 - 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 2022 and 2021 are summarised below:

(Unit: Million Baht)

	As at 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(5)	6	(3)	3
Salary increase rate	7	(6)	3	(3)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
	(2)	2	(1)	1

(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%
	(2)	2	(1)	1



19. 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.

20. 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.

21. Finance income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest income on debt instruments measured at amortised cost	6,726	5,333	21,901	19,981
Interest received from debt instruments measured at fair value to profit or loss	-	151	-	151
Total	6,726	5,484	21,901	20,132

22. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Salary, wages and other employee benefits	296	309	148	155
Depreciation and amortisation	63	65	30	31
Raw materials and consumables used	2,679	2,987	1,359	1,336
Purchases of finished goods	-	-	51	52
Changes in inventories of finished goods and work in process	4	12	8	(4)



23. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge	20,849	20,752	20,020	19,873
Withholding tax write-off of previous year	283	-	-	-
Adjustment in respect of income tax of previous year	7	52	(3)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(14,752)	3,259	(571)	9,335
Tax expenses reported in profit and loss	6,387	24,063	19,446	29,208

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax on gain from revaluation of land and land improvements	-	22,081	-	20,741
Deferred tax relating to actuarial gains	3,304	-	2,170	-
	3,304	22,081	2,170	20,741



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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit before tax	34,719	159,340	106,243	180,774
Applicable tax rate	15%, 20%	15%, 20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	6,962	31,866	21,249	36,155
Withholding tax write-off of previous year	283	-	-	-
Adjustment in respect of income tax of previous year	7	52	(3)	-
Temporary differences which were not utilised and not recognised as deferred tax assets during the year	644	305	-	-
Temporary deference in previous year which were recognised as deferred tax assets during the year	(745)	515	(1,248)	1,204
Effect of:				
Exemption of income	(896)	(8,342)	(896)	(8,332)
Non-deductible expenses	478	455	475	455
Additional expense deduction allowed	(380)	(660)	(136)	(274)
Other	34	(128)	5	-
Total	(764)	(8,675)	(552)	(8,151)
Tax expenses reported in profit and loss	6,387	24,063	19,446	29,208



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	
	2022	2021	2022	2021
Deferred tax assets (liabilities)				
Unrealised loss on change in values of financial assets	3,840	1,774	2,066	(9,737)
Allowance for expected credit losses	3,916	4,847	(931)	542
Allowance for diminution in value of inventories	416	523	(107)	(116)
Unrealised fair value gain on derivative corporate bond	-	-	-	8
Unrealised fair value gain on non-listed equity instruments	(1,699)	(1,131)	(568)	(191)
Revaluation surplus on investment properties	(157)	(157)	-	(167)
Right-of-use assets	(3,241)	(4,401)	1,160	2,962
Provision for long-term employee benefits	20,263	23,406	161	1,335
Fair value of for biological assets	(3,666)	(3,010)	(656)	(123)
Revaluation surplus on land	(80,407)	(80,407)	-	-
Unused tax loss	19,943	5,137	14,806	5,137
Lease liabilities	3,492	4,671	(1,179)	(2,909)
Deferred tax relating to origination and reversal of temporary differences			14,752	(3,259)
Deferred tax liabilities - net	(37,300)	(48,748)		
Presented as follows:				
Deferred tax assets	505	495		
Deferred tax liabilities	(37,805)	(49,243)		
Total	(37,300)	(48,748)		



(Unit: Thousand Baht)

	Separate financial statements			
	Statements of financial position		Statements of comprehensive income	
	As at 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Deferred tax assets (liabilities)				
Unrealised loss on change in values of financial assets	3,840	1,774	2,066	(9,737)
Allowance for expected credit losses	3,208	3,786	(578)	94
Allowance for diminution in value of inventories	115	107	8	45
Unrealised fair value gain on derivative corporate bond	-	-	-	8
Unrealised fair value gain on non-listed equity instruments	(1,699)	(1,131)	(568)	(191)
Revaluation surplus on investment properties	(145)	(145)	-	(155)
Right-of-use assets	(1,592)	(1,757)	165	1,559
Provision for long-term employee benefits	9,932	11,797	305	717
Fair value of for biological assets	(3,666)	(3,010)	(656)	(123)
Revaluation surplus on land	(41,434)	(41,434)	-	-
Lease liabilities	1,695	1,866	(171)	(1,552)
Deferred tax relating to origination and reversal of temporary differences			571	(9,335)
Deferred tax liabilities - net	(29,746)	(28,147)		

24. Promotional privileges

The Company and a subsidiary company have received promotional privileges from the Board of Investment for improving production efficiency, pursuant to the investment promotion certificate No. 62-0928-1-05-1-0 and 62-1203-1-05-1-0 issued on 28 August 2019 and 29 October 2019, respectively. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 3 years from the date the promoted operations begin generating revenues (not yet commenced operation).



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	
	2022	2021	2022	2021
Profit for the year (Thousand Baht)	29,651	136,079	86,798	151,567
Weighted average number of ordinary shares (Thousand shares)	922,180	922,180	922,180	922,180
Earnings per share (Baht/share)	0.03	0.15	0.09	0.16

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 based on locations of the customers is as follows.

	(Unit: Thousand Baht)	
	2022	2021
Revenue from external customers		
Thailand	3,356,660	3,714,316
Lao People's Democratic Republic	-	16,009
Others	9,000	6,568
Total	3,365,660	3,736,893



Major customers

For the year 2022, the Group has revenue from a major customer approximately Baht 407 million. (2021: Baht 1,051 million.)

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 2022 and 2021, the Group contributed Baht 7 million per annum to the fund (the Company only: Baht 4 million per annum).

28. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2020	Annual General Meeting of the shareholders on 28 April 2021	166	0.18
Total dividend paid in 2021		166	0.18
Final dividends for 2021	Annual General Meeting of the shareholders on 29 April 2022	120	0.13
Total dividend paid in 2022		120	0.13



29. Commitments and contingent liabilities

As at 31 December 2022 and 2021 the Group had commitments as follows.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Capital commitments				
Acquisition equipment				
Thousand Baht	4,766	8,719	747	2,900
Raw material purchase commitments				
Thousand USD	2,050	733	1,177	546
Thousand Euro	214	142	214	128

Guarantees

As at 31 December 2022 and 2021, 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	
	2022	2021	2022	2021
Bank guarantees to guarantee utilities	9,065	8,743	4,526	4,306
Other	60	1,782	60	1,782
Total	9,125	10,525	4,586	6,088

The Group has been granted various types of credit facilities, by several financial institutions of which Baht 985 million (2021: Baht 969 million) (the Company only: Baht 752 million (2021: Baht 759 million)) has not been utilised. Most of the facilities have been cross guaranteed by the Group.



30. Fair value hierarchy

As at 31 December 2022 and 2021, 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 2022			
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	44	-	-	44
Unit trusts in mutual funds	138	-	-	138
Non-listed equity instruments	-	-	27	27
Investment properties	-	15	-	15
Lands	-	508	-	508
Biological assets	-	-	33	33

(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)

Separate financial statements			
As at 31 December 2022			
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	44	-	-	44
Unit trusts in mutual funds	138	-	-	138
Non-listed equity instruments	-	-	27	27
Investment properties	-	15	-	15
Lands	-	276	-	276
Biological assets	-	-	33	33

(Unit: Million Baht)

Separate 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	-	276	-	276
Biological assets	-	-	32	32



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 had 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 allowance 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 three types of market risk company commodity price risk, foreign currency risk and interest risk.

Commodity price risk

The Group is affected by the price volatility of raw materials for the manufacture of animal feed. Its operating activities require the ongoing purchase of agricultural products such as maize, soybean meal, fish meal. The Group is exposed to changes in the price of raw materials on its forecast purchases. However, the Group has closely monitored the raw material market situation, purchased and stored raw materials in quantities appropriate to production levels for use during periods of rising raw material prices. The Group is allowed to increase the selling prices of animal feeds with approval obtained from the Department of Internal Trade.

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 2022, the Group's debt-to-equity ratio was 0.13:1 (2021: 0.16:1) and the Company's was 0.08:1 (2021: 0.09:1).

33. Events after the reporting period

On 24 February 2023, the Company's Board of Directors' meeting No. 1/2023 passed a resolution approving a program for management purposes to repurchase up to 90 million shares (par value of Baht 1 each), or 9.76 percent of the total number of shares in issue. The maximum budget of the program is Baht 240 million. The shares are to be repurchased on the Stock Exchange of Thailand from 2 March 2023 to 1 September 2023. The share resales period is determined after 3 months from the completion date of share repurchase but not later than 3 years. The Company will repurchase of treasury shares on 2 March 2023.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2023.



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 2023 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

90

Education

Secondary School

Proportion of shareholding

-

Change of shares during the year 2022

-

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 : 29 April 2022

Age

61

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

Change of shares during the year 2022

-

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 and 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	
	Honorary President	Young Thai Entrepreneurs Association (YTEA)	
	Vice President	Kai-Sitthi Charity Foundation	
	Vice President	The Tio Chew Association of Thailand	
	Director	Poh Teck Tung Foundation	
	Member	Huachiew Chalermprakiet University Council	



3

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

76

Education

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

Proportion of shareholding

0.02

Change of shares during the year 2022

-

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



4

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

76

Education

- Doctorado de Estado, Facultad de Ciencia Politica, Universidad Complutense de Madrid, Spain 1982
- Diplome d'Etudes Superieures, (Economic Integration), Universite de Nancy, France 1975
- Licenciatura, Facultad de Ciencia Politica y Economica, 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

-

Change of shares during the year 2022

-

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
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
2013 - 2022	Chairman / Independent Director	SEAFCO 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
1982 - 2006	Associate Professor	Faculty of Political Science, Thammasat University	Educational institution



5

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

64

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

Change of shares during the year 2022

-

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



6

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

61

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

Change of shares during the year 2022

-

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 Pharmaceuticals 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



7

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 : 29 April 2022

Age

73

Education

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

Proportion of shareholding

-

Change of shares during the year 2022

-

Relationship with the executives

-

Work Experiences			
Period	Position	Company's Name	Business Type
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
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



8

Mr.Somsak Tiensriyuka

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

- Date of first appointment : 15 May 2015
- Latest date of appointment : 29 April 2022

Age

66

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

Change of shares during the year 2022

-

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, 2022

Name Company	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. Mrs.Supaporn Chongvilaiwan	B / D	B / D	B / D	B / D	B / D	-	-
4. Mr.Somsak Tiensriyuka	B / D	B / D	B / D	B / D	B / D	-	-
5. Assoc.Prof.Dr.Somjai Phagaphasvivat	A / I	-	-	-	-	-	-
6. Mrs.Sununta Subhapholsiri	A / I	-	-	-	-	-	-
7. Mr.Busarin Vanaswas	A / I	-	-	-	-	-	-
8. Pol. Lt. Gen. Adisorn Nonsee	I	-	-	-	-	-	-

Remark : Mr.Karoon Chanmingporn, Director of the Company had resigned from the Company but effective from 9 March 2022.

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 Head 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, 2022 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	50	
Buildings and Buildings Improvement – farm project	25	
Machinery and vehicles – feed mill	397	
Machinery and vehicles – farm project	2	
Total	982	

- Remark**
- * 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 : Corporate Governance Policy and Practice and Business Ethics

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,

The Audit Committee has performed its duties and responsibilities as assigned by the Board of Directors of Lee Feed Mill Public Company Limited to monitoring the Company's operation to ensure that managements and directors have performed their duties to the Company's shareholder with honesty, responsibility and performed under the Company's policy. The Audit Committee consists of three independent directors as follows.

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

During the year 2022, the Audit Committee held 4 meetings, the Audit Committee has conducted the major activities under the scope of duties and responsibilities assigned by the Board of Directors. In the year 2022, the Audit Committee has considered and reviewed important matters which can be summarized as follows.

1. To consider Internal Control System Sufficiency, the Audit Committee has considered the internal control system sufficiency without any conflict or against law and government regulations, as well as giving opinion and suggestion in any issues to increase internal control system efficiency and pass to management team to consider and process accordingly.
2. To consider financial statement accuracy, sufficiency, suitability, the Audit Committee reviewed the Company's quarterly and annual financial statements with the management and certified public accountants to acknowledge and discuss the opinions of the certified public accountant and issues found from reviews. The Audit Committee inquired with the certified public accountants regarding financial statement accuracy, sufficiency and suitability of the methods for recording accounts and the scope of information disclosure completely and sufficiently, including modifications to significant accounting transactions and estimates with effects on financial statements, in order to ensure that financial statement preparations are consistent with specifications of the law and ensure that accounting standards based on generally certified accounting principles are reliable and up-to-date. The Audit Committee's opinions are consistent with the certified public accountant in that the aforementioned financial statement was accurately prepared in terms of significant contents in compliance with financial report standards.
3. To consider reviewing compliance with the law and government sector regulations, the Audit Committee has reviewed compliance with the law and government sector regulations. The Audit Committee reviewed the Company's compliance with the laws governing securities and exchanges, the Stock Exchange of Thailand specifications and laws related to the Company's business. The Audit Committee noticed no significant issues regarding non-compliance with the laws governing securities and exchange, the Stock Exchange of Thailand specifications and the related laws.



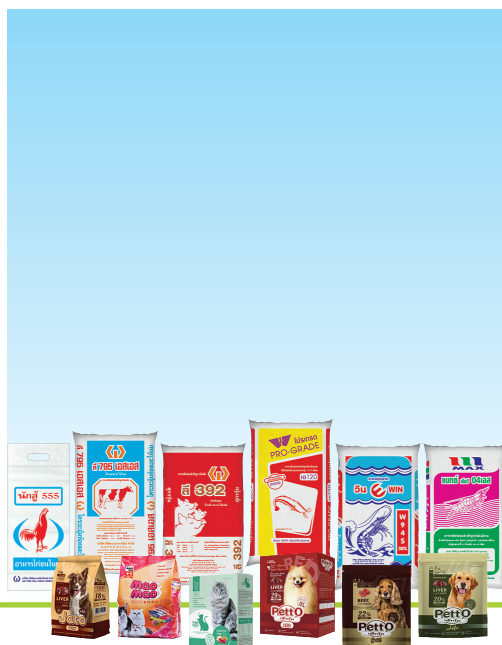
4. To consider approval the reports that must be disclosed to the institute, the Audit Committee has taken under consideration and approved the reports that must be disclosed such as the Annual Report 2022 Form 56-1 One Report also informations that related to duties and responsibilities of the Audit Committee such as to give approve the connected transaction happened for the year 2022, related party transaction disclosures and the annual Audit Committee report for the year 2022.
5. To consider selection, nominating and proposing remuneration for the certified public accountant for the year 2023, the Audit Committee consider to Mr. Preecha Arunnara and / or Mr. Kittiphun Kiatsomphob and / or Mr. Vatcharin Pasaraponggun from EY Office Limited to be certified public accountants of the Company and subsidiaries by considering qualifications and independence under SEC criteria, including past performance. In addition, the Audit Committee considered suitable remuneration rate was compared with other comparable auditors for presentation to the Board of directors to propose the issue for approval from the annual general meeting of shareholders.

In term of performance of duties and responsibilities specified by the Company's corporate governance policy, The Audit Committee has performed his duties carefully, independently and transparently in addition to rendering creative opinions and recommendations to equitably benefit stakeholders. The Audit Committee hereby renders the opinion that the Company's financial information report is accurate, reliable and consistent with generally accepted accounting standards with sufficient internal control systems and efficiency. It does not show any problem or error in the internal system whatsoever in the report, moreover, the company follows the regulation, laws and governance specification with accuracy, reason and suitability for relevant performance and business transactions with related parties for the year 2022, morality and reasonable of the particulars to protect the benefit of the company and stakeholders equally.

On behalf of the Audit Committee

Assoc. Prof. Dr.Somjai Phagaphasvivat
Chairman of the Audit Committee

24 February 2023



บริษัท ลีพัฒนาผลิตภัณฑ์ จำกัด (มหาชน)

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