

Sustainable
growth



Sustainable
life

Annual Report 2022

(56 -1 One Report)

Betagro Public Company Limited



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Attachments 1–6 shown on the website

www.betagro-investor.com/en/downloads/one-reports



Betagro: World-Class Branded Food Company

Betagro is a world-class branded food company. We operate a vertically integrated business with care in every step of production and a sense of responsibility for the whole value chain. We produce quality and safe food to upgrade the quality of life for everyone in order to drive change with innovation and technology until the world trusts. We also promote value for our partners to grow sustainably together with us.

Betagro is committed to delivering better quality, safer and fair priced foods with our leading brand products under international standards to create happiness and promote good health and sustainable life for everyone.

Betagro is committed to upgrading Thailand's food industry

Along the whole value chain by creating a standard that emphasizes superior quality and safety such as BQM - Betagro Quality Management System to controls quality and safety, and E-Traceability System that can be traced back.

Betagro is committed to delivering better quality, safer and fair priced foods with our leading brand products under international standards to create happiness and promote good health and sustainable life for everyone.



Betagro: The standard that the world trusts

Betagro focuses on food product development and food innovation. We also conduct research on modern food processing and packaging technologies with our experienced teams who pay attention to every step of product development, starting from the selection of ingredients with the highest quality and safety to a combination of engineering and food science knowledge, resulting in product and service innovations that respond to the needs of consumers.

Betagro is committed to delivering better quality, safer and fair priced foods with our leading brand products under international standards to create happiness and promote good health and sustainable life for everyone.



Betagro is committed to creating innovation and modern technology.

Betagro operates a food business that creates the standards of food quality and safety that the world trusts. This makes us a food manufacturer that can be trusted in the production and delivery of food products to many countries with the highest standard under the Betagro brand.

Betagro is committed to delivering better quality, safer and fair priced foods with our leading brand products under international standards to create happiness and promote good health and sustainable life for everyone.



Company Overview

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Message from Executives



Mr. Boontuck Wungcharoen

Chairman / Independent Director

Mr. Vasiit Taepaisitphongse

Chief Executive Officer and President /
Director / Member of the Corporate
Governance and Sustainable Development
Committee

Dear Shareholders,

Betagro faced many challenges in 2022 due to economic and social changes. These challenges were in addition to the ongoing effects of COVID-19 which prevented the global and Thai economies from fully recovering. Many countries began to relax their lockdown measures. This enabled Thailand's tourism and related industries to begin a slow recovery. However, there were additional challenges – particularly the Russia-Ukraine War which disrupted the demand and supply chains of fuels and products for food manufacturing such as soybean meal, wheat and fertilizers. These, combined with increased global fuel prices, pushed production and transportation costs up significantly. Nevertheless, Betagro was able to protect its swine production chain and sustained only slight damage when compared with other companies in the same industry. On the contrary, the spread of African Swine Fever (ASF) in Thailand which led to a shortage of pork and increased price positively impacted the Company. Apart from the production factors noted above, consumer behavior continued to evolve to the New Normal. As digital technology played an important role in their daily life as the inflation rate kept rising,

consumers' spending patterns changed. Betagro put priority on managing these challenges so that the Company could continue to grow sustainably in the future.

In 2022, Betagro experienced strong growth with total revenue from sales of goods and rendering of services of THB112,626 million – an increase of 32% over 2021. This revenue comprised of THB75,759 million from food and protein business, THB28,403 million from agro business, THB6,236 million from international business, THB2,211 million from pet business and THB17 million from other businesses. The Company's net profit was THB7,938 million, an increase of almost 7 times from 2021. In addition, Betagro was able to manage its costs and expenses more efficiently despite a significant increase in raw material and transportation costs. Betagro also maintained a strong capital structure. In 2022, its interest bearing debt-to-equity ratio was 0.83x – a decrease from 1.97x in 2021. As a result, TRIS rating upgraded the Company's credit rating to "A" from "A-" with a "stable" outlook. This reflected confidence in Betagro's strong fundamentals, business potential and growth opportunities as well as

robust capital structure, following the initial public offering (IPO) and listing on the Stock Exchange of Thailand.

In the previous year, Betagro developed new businesses in line with consumers' behavioral changes. These included a new product group of plant-based protein under the brand of "Mealty!" for Thailand's and international alternative protein markets, as well as a pilot Digital Cash Van selling Betagro products to Food Service consumer groups and consumers in general. In addition, Betagro continued to expand its controlled temperature express delivery service under the brand of "KERRY COOL", a joint venture business between Betagro and Kerry Express (Thailand), to cover the southern provinces, Bangkok and vicinity with a plan to cover the whole country in the future. In 2022, Betagro increased the production capacity of animal feed and livestock with the support of the newly built feed mill in Nakhon Ratchasima Province and the breeding pig farm in Roi Et Province, following Betagro's 4 long-term growth strategies:

- 1 **Double down on Thailand** by aiming to be the agro-industrial and food business leader through the development of a mechanism which leverages Thai farmers' sales and efficiency. This strategy also includes the expansion throughout the whole supply chain, including mid-stream protein business and down-stream business.
- 2 **Move closer to end consumers** by focusing on developing new food products under Betagro brand and strengthening alliances with the Food Service group of customers through a digital platform.

- 3 **Experiment in fast growing categories** which will create potential for Betagro to identify opportunities and enter new businesses such as alternative protein, fresh-meat pet food and therapeutic pet food.

- 4 **Become a regional champion** by expanding Betagro's businesses, searching for new alliances and applying its expertise for overseas business growth.

All of these strategies will be driven by Betagro 360-degree transformation which comprises Growth Transformation, Digital Transformation, Productivity Transformation, People Transformation, Sustainability Transformation and Betagro Ventures. Last year, the Transformation Office was set up and the platform for Growth Transformation was launched. Other Transformation platforms will be developed in the future.

Betagro continued to put priority on joint value creation with all stakeholders based on the ESG responsibility framework: Environmental, Social and Governance. At the same time, it supported the United Nations' sustainable development goals with good governance. The Company used the Circular Economy Principle in operating its businesses. It managed water in the area, used renewable energy from solar cells on its buildings and factories, and managed waste. In addition, energy from biomass collected from livestock production was utilized while single-use packaging in offices was reduced. At the same time, Betagro pushed forward the Holistic Area Based Community Development Project (HAB) – a project with the concept of joint community development for a sustainable

good life. "Chong Sarika Model" located at Chong Sarika Sub-district, Pattananikom District, Lopburi Province, was a model community. By cooperating with both the public and private sectors, the project was also launched in other areas around the country.

On behalf of the Board of Directors, management and staff, we would like to express our sincere appreciation to all stakeholders for the continued support and trust. Betagro is committed to delivering food products with high quality and safety at fair prices for a sustainable good life for each community. We will continue to maintain the strength of our core businesses and develop innovations that will enhance operating efficiency. In addition, we will create new businesses in line with the changes in society based on good governance and sustainable benefits to the country, economy, society and environment.

Yours faithfully,



Mr. Boontuck Wungcharoen

Chairman /

Independent Director



Mr. Vasit Taepaisitphongse

Chief Executive Officer and President /

Director / Member of the Corporate Governance and Sustainable Development Committee



Purpose

To help people and their communities achieve better quality of life through better quality, safer and fair priced foods.

Belief

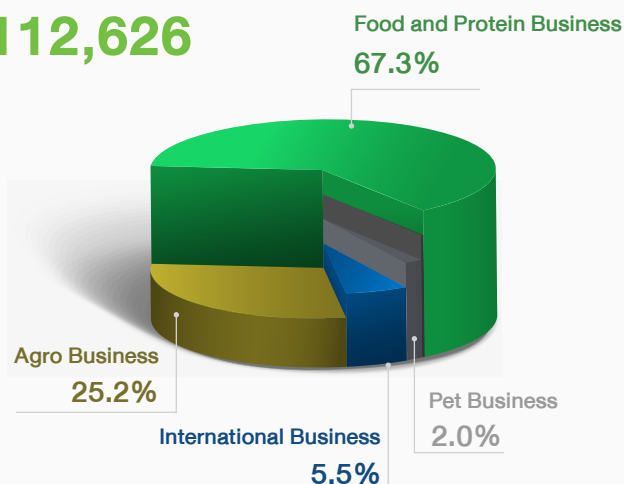
People must have choice and access to better quality, safer and fair priced foods which are essential to human life, and it is the foundation of sustainable development. We must collectively work harder to achieve our purpose.

Financial and Operational Highlights

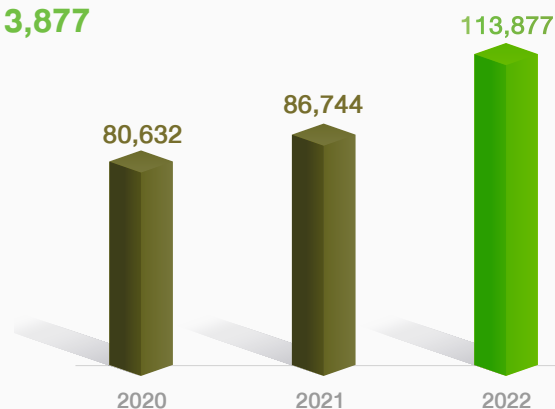
(Unit: THB million)

Share of Revenue from Sale of Goods and
Rendering of Services by Business

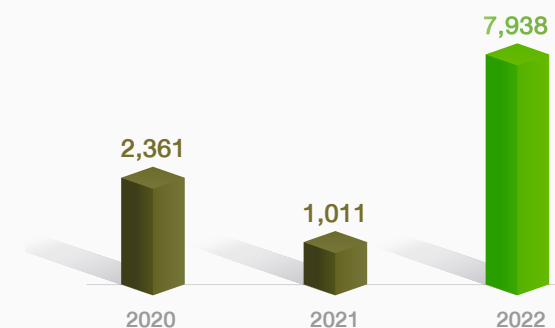
112,626



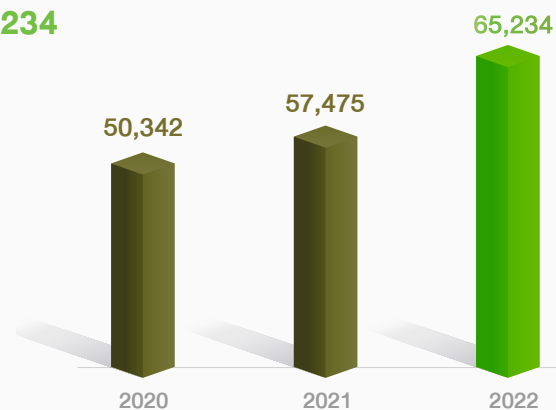
Total Income
113,877



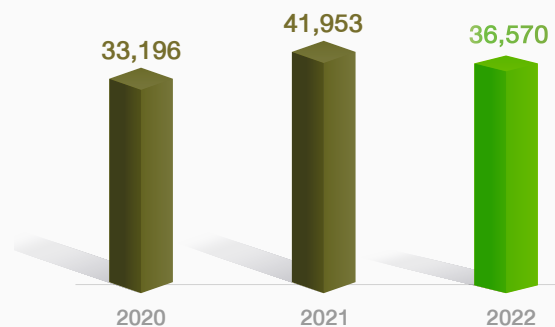
Net Profit
7,938



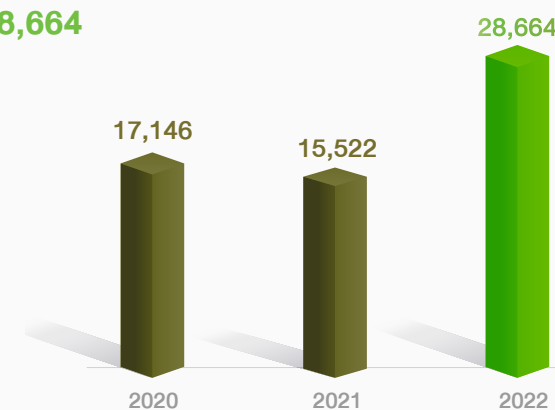
Total Assets
65,234



Total Liabilities
36,570



Total Equity
28,664





(Unit: THB million)





(Unit: THB million)

28,404

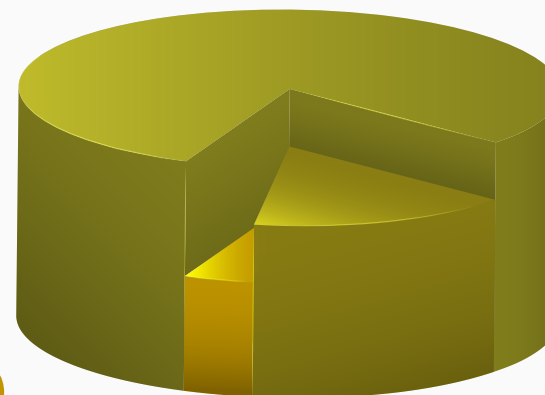
Total Revenue of
Agro Business

82.9%



23,540

Animal Feed



3.6%



1,021

Others

13.5%



3,843

Animal Health



(Unit: THB million)

6,236

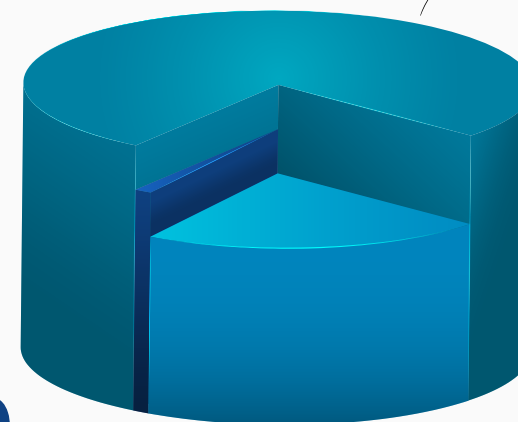
Total Revenue of
International
Business

74.4%



4,640

Cambodia



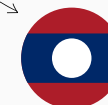
0.7%



41

Others

24.9%



1,555

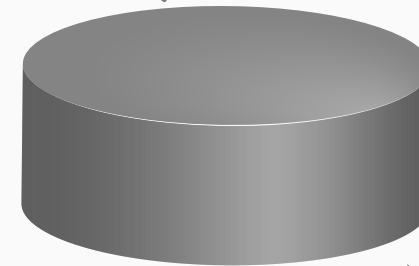
Laos

(Unit: THB million)



2,211

Total Revenue of
Pet Business



100%



2,211

Pet Food, Pet Snack,
Pet Care and Accessories



Board of Directors

01

Mr. Boontuck Wungcharoen

Chairman / Independent Director

02

Mr. Winid Silamongkol

Independent Director / Chairman of the Audit Committee /
Member of the Corporate Governance and Sustainable
Development Committee

03

Dr. Thaweesak Koanantakool

Independent Director / Chairman of the Corporate
Governance and Sustainable Development Committee /
Member of the Audit Committee

04

Mrs. Tongurai Limpiti

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

05

Mr. Rapee Sucharitakul

Independent Director / Chairman of the Nomination and
Remuneration Committee / Member of the Risk
Management Committee

06

Mr. Vanus Taepaisitphongse

Director / Member of the Risk Management Committee /
Member of the Corporate Governance and Sustainable
Development Committee



Board of Directors

07

Ms. Thanomvong Taepaisitphongse

Director / Member of the Nomination and
Remuneration Committee / Chief Administrative Officer

08

Mrs. Siriwan Intarakumthornchai

Director / Member of the Risk Management
Committee / Chief Financial Officer

09

Dr. Premratn Taephisitphongse

Director

10

Ms. Piyaporn Taepaisitphongse

Director

11

Mr. Vasiit Taepaisitphongse

Director / Member of the Corporate Governance and
Sustainable Development Committee / Chief Executive
Officer and President



Awards and Certifications

01

“THAILAND TOP CEO OF THE YEAR 2022” award in the Agriculture and Agro-Industry category.

02

The Asian Export Awards 2022
“Product Exporter of the Year – Poultry”

03

FDA Quality Award 2022 “Pharmaceutical Establishment” category for 3 consecutive years

04

Distinguished Award – Marketing Excellence

05

SMEs Excellence Award 2022 – 1st
Place Gold Award with Chaiya Charoenkij Co., Ltd. (Copper)

06

SMEs Excellence Award 2022 – 2nd
Place Silver Award with Nittayakaiyang Food and Beverage Co., Ltd.

07

Outstanding Business Establishment – Labor Relations and Labor Welfare for 15 consecutive years (2006–2020)

08

Best Communication Strategy
“Betagro Sausage”



Part 1 Business Operations and Performance

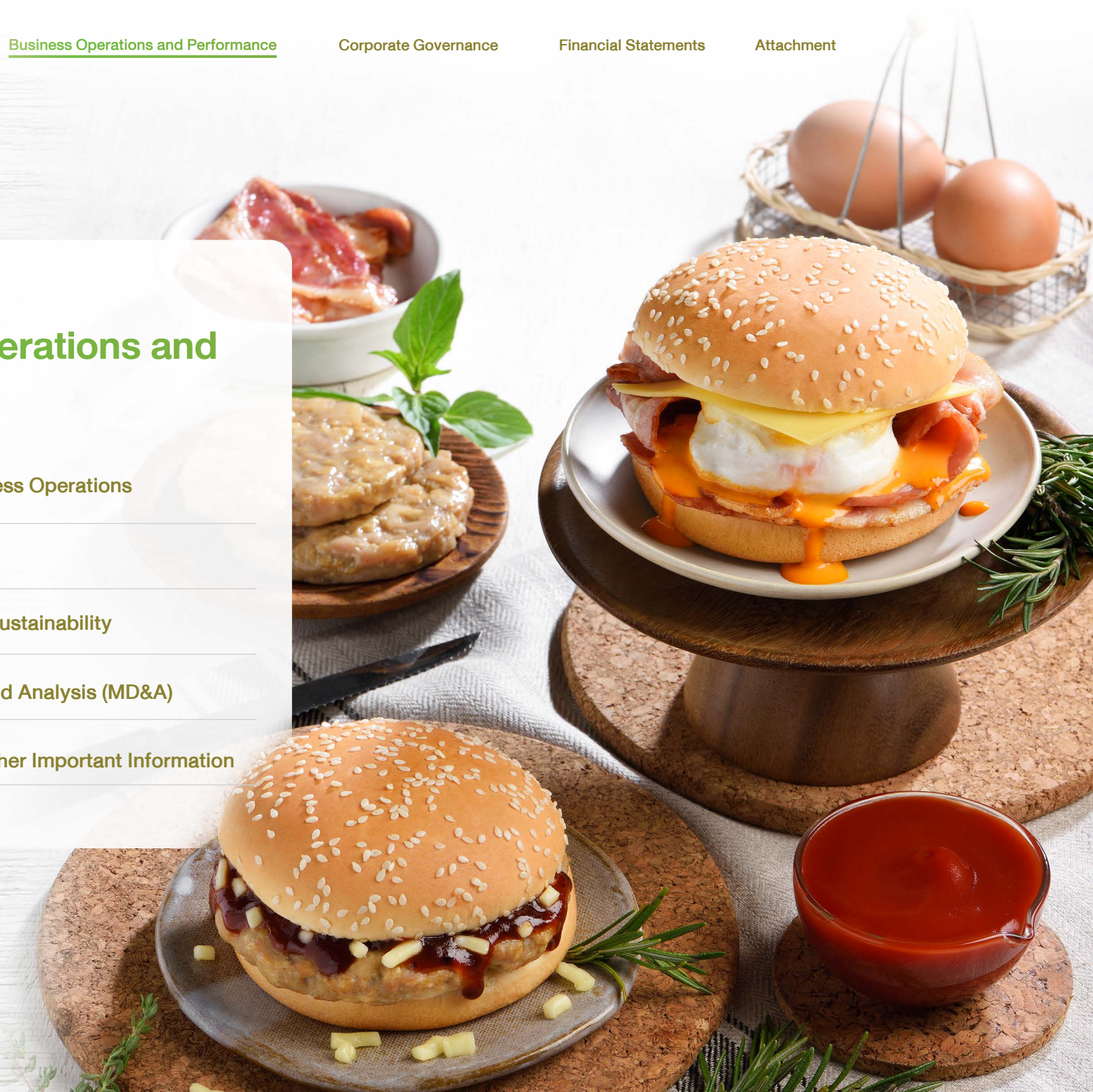
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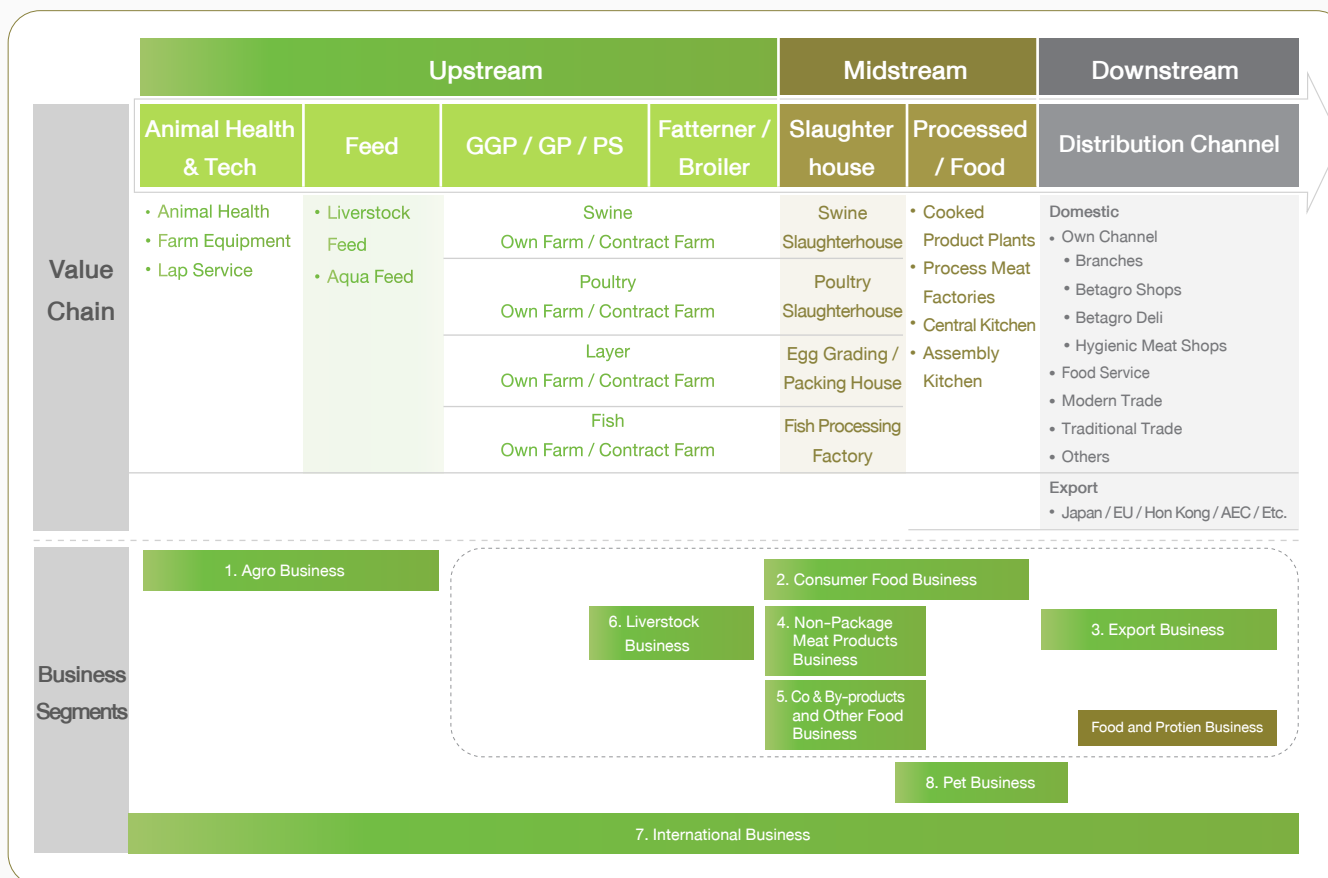


1. Group Structure and Business Operations

1.1 Policy and Business Overview

We are a leading integrated agro-industrial and food company in Thailand. Our business covers the production and sale of animal feed, animal health products, livestock, swine and poultry products, eggs, related processed food products and pet food, distribution of farm equipment and related research and development. We have a vertically integrated business model that covers many aspects of the value chain for our products, from feed production, growing and sale of breeders, commercial farming, slaughtering and processing to sales. Our efficient, high-standard production and food processing facilities, research capabilities and internal systems which monitor and control each stage of the food value chain, allow us to effectively control quality and manage cost. In addition, we are committed to producing high quality and safe products, we have implemented strict biosecurity and quality control measures, guided by recognized international standards.

Our products are marketed under widely recognizable brands in the industry, such as “BETAGRO” and “S-Pure” for hygienic fresh meat, processed meat and processed food, “ITOHAM” for premium sausages, “betagro”, “Balance” and “MASTER” for animal feeds, “Better Pharma” and “Nexgen” for animal medical supplies and supplementary products and “Perfecta”, “DOG n joy” and “CAT n joy” for pet food.



We operate through 9 main segments:

1 Agro Business

Involving the production of various animal feed, animal health products, various farm equipment and tools, and provision of lab services.

2 Consumer Food Business

Involving the production and distribution of packaged fresh, partially-cooked and fully-cooked meat and ready-to-eat food products in Thailand.

3 Export Business

Involving the production and sale of food products to international markets.

4 Non-package Meat Products Business

Involving the production and bulk distribution of fresh meat to traditional markets in Thailand.

5 Co & By-products and Other Food Business

Involving the sale of leftover animal parts from the slaughterhouse processes and the production and sale of alternative proteins from plants.

6 Livestock Business

Involving the sale of live animals to farms and other food processors in Thailand.

((2), (3), (4), (5) and (6) are collectively called “Food and Protein Business”).

7 International Business

Covering our operations in Cambodia, Laos and Myanmar for the production and sale of agriculture products, including feed, animal breeder, animal health products, farm equipment and food products, including swine, poultry, egg, processed meat and processed food, in these markets.

8 Pet Business

Involving the manufacturing and distribution of pet food, pet snack and pet care products.

9 Others

Involving our seminar and training business and our social enterprise which sells layer farming equipment and provides advisory services.

Our products are marketed and sold through multiple distribution channels. Our agro products are sold directly or via appointed agents to independent farms, integrated agriculture producers and larger industrial players. Our food products are sold to modern trade

and traditional trade channels including grocery retailers and grocery wholesalers, industrial food processing companies, chain restaurants or their distributors, international export companies and domestic distributors who serve restaurants, food service operations such as plant and school cafeterias, convenience stores, hospitals and other vendors. Moreover, we sell food products through our own sales channels, comprising Betagro Branches and Betagro Shops for B2B customers and Betagro Delis for B2C customers as well as exports to more than 20 destinations in Asia, Europe, North America and the Middle East.



1.1.1 Purpose, Belief and Business Strategies

Purpose : To help people and their communities achieve better quality of life through better quality, safer and fair priced foods.

Belief : People must have choice and access to better quality, safer and fair priced foods which are essential to human life, and it is the foundation of sustainable development. We must collectively work harder to achieve our purpose.

Business Strategies : We have 4 key principal strategies:

- 1 Strengthen our leading market positions in the agribusiness industry through developing mechanisms that enhance the sales and production efficiencies of farmers in Thailand, including the expansion of the midstream protein business and downstream business.
- 2 Expand our processed food business as well as business partnerships with restaurants, by developing new forms of food products under our own brands and enhance partnerships with food service providers through digital platform.
- 3 Reinforce our business capabilities to find opportunities and enter into new businesses such as alternative proteins, fresh-meat pet food and therapeutic pet food.
- 4 Accelerate our investment, seek partnerships and apply our expertise to expand our international footprint.



1.1.2 Corporate History and Milestones



1967

- Incorporation of Betagro Co., Ltd. (currently named Betagro Holding Co., Ltd. and is our major shareholder)
- Betagro Co., Ltd. started its first feed factory in Phra Pradaeng, Samut Prakan

1972

- Betagro Co., Ltd. started its first swine and breeder farm in Nakhon Ratchasima
- Betagro Co., Ltd. started its first broiler and breeder farm in Nakhon Pathom

1978

- Incorporation of Better Pharma Co., Ltd., which started its first animal health product factory in Samut Prakan

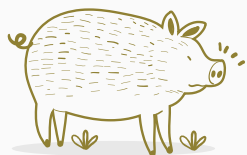
1980

- Incorporation of Better Foods Co., Ltd., a joint venture with Toshoku to operate fresh and frozen chicken meat processing facilities and we started our first chicken slaughterhouse



1989

- Incorporation of Betagro Feed Co., Ltd. as a subsidiary of Betagro Co., Ltd.



1993

- We established Thai SPF Products Co., Ltd, a joint venture with Sumitomo to produce Specific Pathogen Free (SPF) fattening and breeder swine



1995

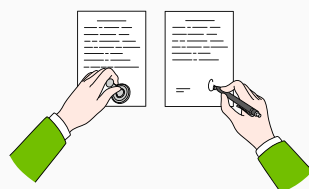
- We established Ajinomoto Betagro Frozen Food (Thailand) Co., Ltd., a joint venture with Ajinomoto to produce processed food with our chicken meat for export to Japan

1990

- We finished the construction of Food Complex 1, our first food production base to increase the production of poultry, both fresh meat and cooked products for export
- We established B. Food Products International Co., Ltd., a joint venture with Mitsubishi to expand our export to Japan

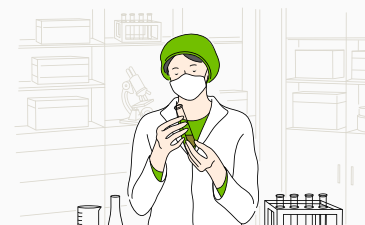
1994

- Our former parent company, Betagro Co., Ltd., changed its name to Betagro Holding Co., Ltd.
- Betagro Feed Co., Ltd changed its name to Betagro Agro Group Co., Ltd. and received our feed factory license from Betagro Holding Co., Ltd.



2003

- We finished the construction of Food Complex 2, a production base to increase the production of poultry, pork and sausages



2006

- Betagro Agro Group Public Company Limited established the Betagro Science Center to provide laboratory testing services
- Betagro Agro Group Public Company Limited launched pork products under the S-Pure brand for the premium market for the first time

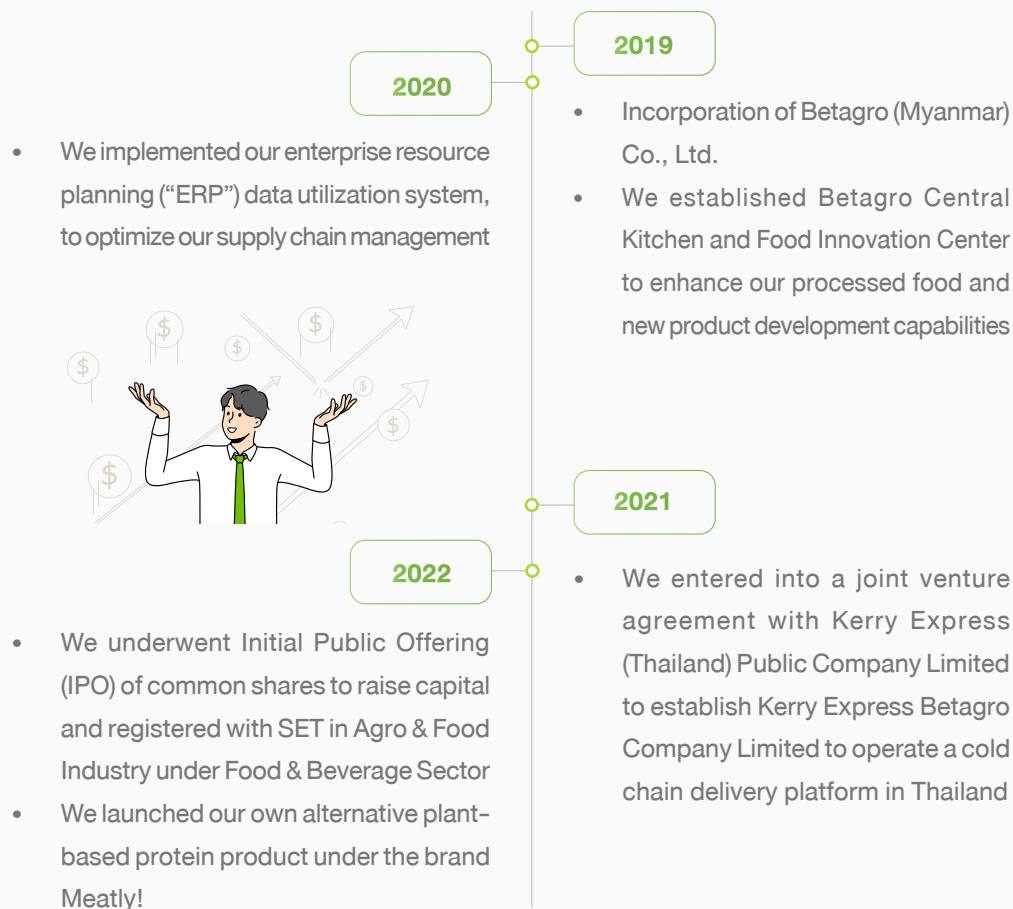
1996

- Betagro Agro Group Co., Ltd. converted into a public company limited and changed our name to Betagro Agro Group Public Company Limited
- Betagro Holding Co. Ltd. transferred its businesses to Betagro Agro Group Public Company Limited
- Betagro Agro Group Public Company Limited established the Saitarn Foundation, a non-profit organization to support education and other charitable causes

2004

- Betagro Agro Group Public Company Limited opened its first Betagro Shop, a wholesales shop for food products
- We established Ajinomoto Betagro Specialty Foods Co., Ltd., a joint venture with Ajinomoto to produce processed food with our specific pathogen free ("SPF") pork meat for export to Japan





1.1.3 Use of Proceeds

BTG launched an initial public offering (IPO) in the amount of 434,800,000 shares at 40 Baht per share which the Company received net proceeds in the amount of THB16,960 million (after the deduction of expenses relating to IPO). The capital increase has been used until December 31, 2022 as follows:

Unit : THB million

Objectives	Approximate Utilization Plan in 2022–2024	Accumulated Use of Proceeds until December 31, 2022
1. Investments in the acquisitions and/or construction of new farms and factories	8,000	564
2. Repayment of existing short-term and/or long-term debt of the Company and/or its subsidiaries to various financial institutions	8,960 –10,500	8,960
3. Working capital for business operations	0 –1,021	0
Total	16,960–19,521	9,524
Outstanding		7,436

1.1.4 BTG's Obligations according to the Registration Statement

On 9th May 2022, BTG filed the registration statement for securities offering and the prospectus to the Securities and Exchange Commission (SEC), which came into effect on 4th October 2022. As the filing of the registration statement and the prospectus have been in full compliance with SEC’s criteria, BTG is not bound by any obligations or conditions in applying for an approval from SEC.

1.1.5 General Information

Company Name	Betagro Public Company Limited (BTG)
Head Office Location	323 Moo 6, Thung Song Hong, Laksi, Bangkok
Business	Agro-Industrial and Food in Thailand and Overseas
Registration Number	0107539000022
Telephone	+66(0) 2833 8000
Fax	+66(0) 2833 8001
Website	www.betagro.com
E-mail	ir@betagro.com (Investor Relations Department) cso@betagro.com (Corporate Secretary Office)
Registered Capital and Paid-up Capital	As of 31st December 2022, BTG's registered capital was THB 10,000,000,000 with 2,000,000,000 ordinary shares at a par value of THB 5 per share. The paid-up capital was THB 9,674,000,000 with 1,934,800,000 ordinary shares.



1.2 Nature of Business

1.2.1 Revenue Structure

The following table sets forth our Revenue from sale of goods and rendering of services, Segment Operating Profit before Depreciation and Amortization, and Segment Operating Profit before Depreciation and Amortization Margin by business segment for the years ended December 31, 2020, 2021 and 2022.

(in THB millions, except for percentages)

	For the year ended December 31,		
	2020	2021	2022
1. AGRO BUSINESS			
Revenue from sale of goods and rendering of services ⁽¹⁾	21,794.3	24,795.1	28,403.1
Segment Operating Profit before Depreciation and Amortization ⁽²⁾	1,022.7	1,337.1	889.0
Segment Operating Profit before Depreciation and Amortization Margin ⁽³⁾	4.7%	5.4%	3.1%
2. CONSUMER FOOD BUSINESS			
Revenue from sale of goods and rendering of services ⁽¹⁾	24,185.1	25,954.3	33,914.7
Segment Operating Profit before Depreciation and Amortization ⁽²⁾	2,651.2	2,096.6	5,047.1
Segment Operating Profit before Depreciation and Amortization Margin ⁽³⁾	11.0%	8.1%	14.9%
3. EXPORT BUSINESS			
Revenue from sale of goods and rendering of services ⁽¹⁾	9,172.1	8,483.4	12,390.6
Segment Operating Profit before Depreciation and Amortization ⁽²⁾	707.1	562.3	2,537.9
Segment Operating Profit before Depreciation and Amortization Margin ⁽³⁾	7.7%	6.6%	20.5%
4. NON-PACKAGE MEAT PRODUCTS BUSINESS			
Revenue from sale of goods and rendering of services ⁽¹⁾	5,174.7	4,942.5	8,608.1
Segment Operating Profit before Depreciation and Amortization ⁽²⁾	320.8	82.5	1,200.2
Segment Operating Profit before Depreciation and Amortization Margin ⁽³⁾	6.2%	1.7%	13.9%

(in THB millions, except for percentages)

	For the year ended December 31,		
	2020	2021	2022
5. CO & BY-PRODUCTS AND OTHER FOOD BUSINESS			
Revenue from sale of goods and rendering of services ⁽¹⁾	9,280.9	9,802.2	14,227.3
Segment Operating Profit before Depreciation and Amortization ⁽²⁾	610.5	(249.4)	1,861.8
Segment Operating Profit before Depreciation and Amortization Margin ⁽³⁾	6.6%	(2.5)%	13.1%
6. LIVESTOCK BUSINESS			
Revenue from sale of goods and rendering of services ⁽¹⁾	5,605.2	4,989.0	6,617.8
Segment Operating Profit before Depreciation and Amortization ⁽²⁾	633.2	(254.8)	1,139.8
Segment Operating Profit before Depreciation and Amortization Margin ⁽³⁾	11.3%	(5.1)%	17.2%
7. INTERNATIONAL BUSINESS			
Revenue from sale of goods and rendering of services ⁽¹⁾	3,636.1	4,881.3	6,235.8
Segment Operating Profit before Depreciation and Amortization ⁽²⁾	527.4	457.3	519.5
Segment Operating Profit before Depreciation and Amortization Margin ⁽³⁾	14.5%	9.4%	8.3%
8. PET BUSINESS			
Revenue from sale of goods and rendering of services ⁽¹⁾	1,150.3	1,491.3	2,210.0
Segment Operating Profit before Depreciation and Amortization ⁽²⁾	146.6	223.4	351.5
Segment Operating Profit before Depreciation and Amortization Margin ⁽³⁾	12.7%	15.0%	15.9%
9. OTHERS			
Revenue from sale of goods and rendering of services ⁽¹⁾	103.4	84.9	17.2
Segment Operating Profit before Depreciation and Amortization ⁽²⁾	0.9	60.5	7.8
Segment Operating Profit before Depreciation and Amortization Margin ⁽³⁾	0.9%	71.3%	45.3%

(in THB millions, except for percentages)

	For the year ended December 31,		
	2020	2021	2022
Total revenue from sale of goods and rendering of services⁽¹⁾	80,102.1	85,424.0	112,625.6
Total Segment Operating Profit before Depreciation and Amortization⁽²⁾	6,620.4	4,315.5	13,554.6
Total Segment Operating Profit before Depreciation and Amortization Margin⁽³⁾	8.3%	5.1%	12.0%

Notes:

(1) Represents external sales and excludes inter-segment sales

(2) Calculated as segment operating profit (loss) adding back depreciation and amortization

(3) Calculated as Segment Operating Profit before Depreciation and Amortization divided by revenue from sale of goods and rendering of services

The following table sets forth a breakdown of our revenue from sale of goods and rendering of services by geography for the periods indicated.

	For the year ended December 31,					
	2020		2021		2022	
	THB mm	%	THB mm	%	THB mm	%
Thailand	66,272.3	82.7	70,951.6	83.1	92,358.6	82.0
Southeast Asia	4,758.5	5.9	6,029.8	7.1	8,076.9	7.2
Asia (excluding Southeast Asia)	5,725.4	7.2	5,151.8	6.0	6,879.3	6.1
Europe	2,903.7	3.6	2,845.5	3.3	4,507.7	4.0
Others	442.2	0.6	445.3	0.5	803.1	0.7
Total revenue from sale of goods and rendering of services⁽¹⁾	80,102.1	100.0	85,424.0	100.0	112,625.6	100.0

Note:

(1) Represents the external sales and excludes inter-segment sales

1.2.2 Nature of Products

1.2.2.1 Agro Business

Our agro business comprises



1. A feed business, consisting of the manufacture and sale of livestock and aquaculture feed



2. An animal health business, consisting of the manufacture and sale of animal pharmaceuticals, supplements and hygiene products
























3. Others, comprising our (a) farm equipment business, consisting of the sale and provision of installation service of livestock farming equipment and (b) our lab services business, consisting of the provision of laboratory testing of feed, animal health and food service.







The main products of our agro business are as follows:

- **Feed** - We create quality, specially formulated, livestock and aquaculture feed through innovative research and development. Our expert nutritionists develop formulae with the goal to create balanced nutrition suitable for various phases of animal development and to improve production efficiency. We offer various grades of feed products. We sell our feed products through various channels to third parties and also use our feed to raise livestock and fish at our farms and those of our contract farmers. The following table sets forth a brief description of the key feed products:



Product	Product Description	Grading	Key Brands
Piglet feed (Creep-feed)	Contains nutrients to build up sow milk to ensure strong healthy growth in piglets 	Premium	BE-LAC  P-LAC 
Swine feed	Contains nutrients for each growth stage of swine in accordance with the livestock nutritional guidelines 	Premium Standard Economy	Betagro  Farm, Balance   Master 
Broiler chicken feed	Contains nutrients from plant and meat protein to ensure speedy growth, firm meat and good feed conversion ratio in a shorter period, tailored the broilers' breeds 	Premium Standard	Betagro  Balance 

Product	Product Description	Grading	Key Brands
Broiler chicken feed (Cont.)		Economy	Master 
Layer chicken feed	<p>Contains nutrients for layer chickens raised in hot and humid climate zones to ensure high egg production of marketable weight</p> 	Premium Standard Economy	Betagro  Farm, Balance   Master 
Cattle feed	<p>Contains high-quality raw material, producing firm, fine pellets that stimulate the cattle's appetite; can be used as a substitute for the coarse mixes in case of shortage</p> <p>Dairy cattle feed ensures consistent high quality milk production.</p> <p>Beef cattle feed promotes speedy growth, high weight and nice body.</p> 	Premium Standard Economy	Betagro  Balance  Master 

Product	Product Description	Grading	Key Brands
Fish feed	Contains ingredients that ensure speedy growth, high weight, healthy scales and beautifully shaped fish; the feed is divided into 3 categories based on the fish's size and weight: small, medium and large	Premium	Betagro 
		Standard	Balance, Bio  
		Economy	Master, Amina  
Frog feed	Contains ingredients that speed up frogs' healthy growth with higher weight	Premium	Betagro 

- Animal Health** - We manufacture animal pharmaceutical, supplements and hygienic products under the brands “Better Pharma” for the premium segment while our “NexGen” products target the standard segment. We produce three categories of animal health products: (1) veterinary medicine, which includes water soluble powder medicine, penicillin powder, solutions, feed additive antibiotics, feed additive and anticoccidial; (2) pre-mixes which include vitamins and mineral premixes, enzymes and acidifier; and (3) disinfectants and hygienics, which include liquid disinfectant, antiseptics and other hygienic products such as cleansing and laundry products, personal hygiene products and alcohol.
- Farm Equipment** - We sell farm equipment used to raise livestock to farmers in Thailand such as ventilation systems, feeding systems, watering systems and other related farm equipment for broilers, laying pullets, breeders and pigs. We also provide advice on the installation of farm equipment and tools to farmers in Thailand.
- Lab Services** - We provide laboratory testing services for livestock and food industries, focusing mainly on testing for food safety assurance and animal health monitoring control for farm management and livestock production, livestock meat products and raw materials for animal feed, pet food and food products for human consumption through our three branches of Betagro Science Center located in Bangkok, Lopburi and Phatthalung province in Thailand.

The following table sets forth a breakdown of our revenue from sale of goods and rendering of services by product category of our agro business for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	THB mm	%	THB mm	%	THB mm	%
Revenue from sale of goods and rendering of services⁽¹⁾						
Feed	16,932.6	77.7	19,876.0	80.2	23,539.6	82.9
Animal Health	3,854.9	17.7	3,942.2	15.9	3,842.9	13.5
Others	1,006.8	4.6	976.9	3.9	1,020.6	3.6
Total	21,794.3	100.0	24,795.1	100.0	28,403.1	100.0

Note:

(1) Represents the external sales and excludes inter-segment sales

We sell our agro products through four main channels:

- 1 To farms in Thailand
- 2 Through our agents in Thailand
- 3 To industrial customers who operate in the food industry and the meat or food processing industry
- 4 Others, including sales to international customers and large integrated agro-industrial and food companies, similar to us. The following table sets forth a breakdown of our revenue from sale of goods and rendering of services by sales channel of our agro business for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	THB mm	%	THB mm	%	THB mm	%
Revenue from sale of goods and rendering of services⁽¹⁾						
Farm	12,630.0	57.9	15,358.3	62.0	19,602.0	69.0
Agent	5,687.6	26.1	6,896.7	27.8	6,219.1	21.9
Industrial ⁽²⁾	2,608.1	12.0	1,717.0 ⁽³⁾	6.9	1,608.7	5.7
Others ⁽⁴⁾	868.6	4.0	823.1	3.3	973.3	3.4
Total	21,794.3	100.0	24,795.1	100.0	28,403.1	100.0

Note:

(1) Represents the external revenue from sale of goods and rendering of services and excludes inter-segment sales

(2) Represents the revenue from sale of goods and rendering of services to industrial customers who operate in food industry and the meat or food processing industry, including large integrated agro-industrial and food companies

(3) Due to the reclassification of customers in 2021, revenue from sale of goods and rendering of services by sales channel of agro business for the year ending December 31, 2021, may not be comparable with 2020

(4) Represents the revenue from sale of goods and rendering of services to international customers and other customers such as customers from the traditional trade channel

1.2.2.2 Food and Protein Business

Our food and protein business engages primarily in the production of meat, eggs and fish products for sale to third parties both domestically and to international markets. We also further process our meat to produce cooked, ready-to-cook, partially-cooked and ready-to-eat products. To a lesser extent, we export other products such as pork cuts products, co-products and by-product such as chicken legs. We breed and grow most of the animals used in our food business at our own farms and at those of our contract farmers. The main products of our food and protein business are as follows:

- Consumer Food** - Our consumer food business involves the production and sale of pork meat, packaged fresh and frozen poultry meat, fish, eggs, processed food and processed meat in Thailand. We market most of our consumer food products under the “BETAGRO” and “S-Pure” brands to target the standard and premium customer segments, respectively. We package most of our consumer food fresh and frozen pork and poultry products in sizes of two kilograms or less, which command higher profit margins than our bulk non-package meat sales. Our consumer food products are typically sold in modern trade channels such as supermarkets and hypermarkets, food service channel as well as our own distribution channel including our Betagro Branches, Betagro Shops, Betagro Delis and Hygienic Meat Shops.



- Export Products** - Our export products include premium grade pork, poultry, egg, processed food and processed

meat products, which export to more than 20 countries worldwide under our own brands and on an OEM basis. Our key export markets are the UK, the EU, Japan, Singapore, Hong Kong and China.

- **Non-Package Meat Products** - Our non-package meat products include fresh pork and poultry products in bulk (sizes above two kilograms) for the traditional trade channels in Thailand such as wet markets and industrial channels.



- **Co & By-products and Other Food Products** - Our co & by-products and other food products include the sale of leftover animal parts from the slaughterhouse processes and the production and sale of alternative proteins from plants. Co-products are edible leftover animal parts such as organs. By-products are non-edible leftover animal parts such as feathers and chicken heads. We primarily sell co & by-products through traditional trade channel in Thailand.







- **Livestock** - Our livestock business involves the rearing and sale of live chickens, pigs and fish that are not supplied to our other food and protein business segment. We primarily sell livestock to farms and industrial processors in Thailand.

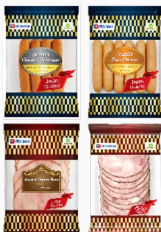







The following table sets forth a breakdown of our revenue from sale of goods and rendering of services by product category of our food and protein business for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	THB mm	%	THB mm	%	THB mm	%
Revenue from sale of goods and rendering of services						
Consumer Food	24,185.1	45.3	25,954.3	47.9	33,914.7	44.8
Export Products	9,172.1	17.2	8,483.4	15.7	12,390.6	16.3
Non-Package Meat Products	5,174.7	9.7	4,942.5	9.1	8,608.1	11.4
Co & By-products and Other Food Products	9,280.9	17.3	9,802.2	18.1	14,227.3	18.8
Livestock	5,605.2	10.5	4,989.0	9.2	6,617.8	8.7
Total	53,418.0	100.0	54,171.4	100.0	75,758.5	100.0



The table below sets forth certain details of the key brands of our food and protein business:

Brand	Product	Target segment	Sales channel
BETAGRO	<p>Fresh meat, including pork, chicken meat, eggs, fish, and duck</p>  <p>Processed meat and processed food</p>  <p>Meat with Betagro Quality Management System</p>	Standard	<p>Customer: B2B, B2C, Household, SME, Restaurant, Hotel, Hospital</p> <p>Sales Channel: Modern Trade, Betagro Shop, Betagro Deli, Betagro Branch, Food Service, Export, Traditional Trade</p> 
S-Pure	<p>Fresh meat, including pork, chicken meat, and eggs</p>  <p>Processed meat and processed food</p>  <p>Raised without antibiotic, certified by NSF</p>	Premium	<p>Customer: B2B, B2C, Household, SME, Restaurant, Hotel, Hospital</p> <p>Sales Channel: Modern Trade, Betagro Shop, Betagro Deli, Betagro Branch, Food Service, Export</p> 

Brand	Product	Target segment	Sales channel
ITOHAM	Japanese premium sausages 	Premium	Customer: B2B, B2C, Household, SME, Restaurant, Hotel, Hospital Sales Channel: Modern Trade, Betagro Shop, Betagro Deli, Betagro Branch, Food Service, Export 
Kra-tak	Fresh chicken meat, processed meat 	Economy	Customer: B2B Sales Channel: Traditional Trade, Betagro Branch 
B-Foods	Processed meat 	Economy	Customer: B2B Sales Channel: Traditional Trade, Betagro Branch 
B-One	Processed meat 	Economy	Customer: B2B Sales Channel: Traditional Trade, Betagro Branch 

We sell our food and protein products through six main channels:

- 1 Export, directly to more than 20 countries worldwide
- 2 Food service, to hotels, restaurants, cafes, schools and airlines
- 3 Modern trade, to supermarket, hypermarkets and convenience stores
- 4 Our own distribution channel, through our Betagro Branches, Betagro Shops and Betagro Delis, as well as Hygienic Meat Shops (which are operated by third parties)
- 5 Traditional trade, to wet markets and customers that buy our co-products and by-products
- 6 Others, primarily to industrial customers such as processing plants and domestic traders.

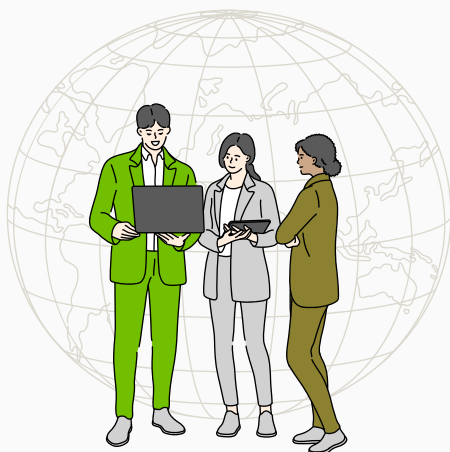
The following table sets forth a breakdown of our revenue from our food and protein products by our sales channels for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	THB mm	%	THB mm	%	THB mm	%
Sales Channel						
Export	9,172.1	17.2	8,483.4	15.7	12,390.6	16.3
Food Service	3,791.8	7.1	3,414.9	6.3	5,247.9	6.9
Modern Trade	5,770.8	10.8	7,101.6	13.1	8,390.3	11.1
Own Distribution Channel	12,921.9	24.2	13,793.3	25.5	17,801.0	23.5
Traditional Trade	15,611.3	29.2	14,198.2	26.2	19,675.4	26.0
Others	6,150.1	11.5	7,180.0	13.2	12,253.3	16.2
Total	53,418.0	100.0	54,171.4	100.0	75,758.5	100.0



1.2.2.3 International Business

Our international business consists of our business operations in Cambodia, Laos and our swine breeder trading business and future operations in Myanmar. To oversee our international business, our employees in Thailand have been relocated to Cambodia, Laos, and Myanmar to operate such business. The operating performance of the international business will be reported to us on a monthly basis, and the management of our international business visit and follow up on business operations in these countries on a regular basis. We offer products in our International Business under our own key brands including BETAGRO, ITOHAM, BE-LAC, Better Pharma, Balance, MASTER, Anima, B-Foods, DOG n Joy and CAT n Joy. The main products of our international business are as follows:



Cambodia - Through our subsidiary Betagro (Cambodia) Company Limited, we primarily engage in animal feed, swine, poultry and egg production in Cambodia.



Laos - Through our subsidiary Betagro (Lao) Company Limited, we primarily engage in swine and poultry production and the operation of Betagro shops in Laos.







Myanmar - We primarily sell IWe engage in a swine breeder international trading business in Myanmar where we import swine breeders from Thailand to resell to customers in Myanmar. To facilitate the expansion of our operations in Myanmar, we established Betagro (Myanmar) Company Limited, a joint venture with Shwe Me Co. Ltd.

The following table sets forth a breakdown of our revenue from sale of goods and rendering of services by country of our international business for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	THB mm	%	THB mm	%	THB mm	%
Revenue from sale of goods and rendering of services						
Cambodia	2,889.0	79.5	3,776.9	77.4	4,640.0	74.4
Laos	745.4	20.5	1,099.6	22.5	1,554.8	24.9
Myanmar	1.7	0.0	4.8	0.1	41.0	0.7
Total	3,636.1	100.0	4,881.3	100.0	6,235.8	100.0

1.2.2.4 Pet Business

We manufacture and distribute pet food and snacks for dogs and cats, including therapeutic pet food, under our own brands and on an OEM basis. For example, we manufacture dry kibble for dogs under international product brands, which targets the premium segment in Japan and dry kibble and snacks for dogs, which targets the standard segment in the Philippines. We also distribute pet care products and accessories such as pet medicine, parasiticides, cat litter, shampoo, pet supplements, toothbrushes and feeding bottles. Our key pet business brands include:

Brand	Product	Target segment
	Dry kibble for dogs and cats	Premium
	Dry kibble, wet food and snacks for dogs	Standard
	Dry kibble, wet food and snacks for cats	Standard
	Dry kibble and snacks for dogs and cats	Economy

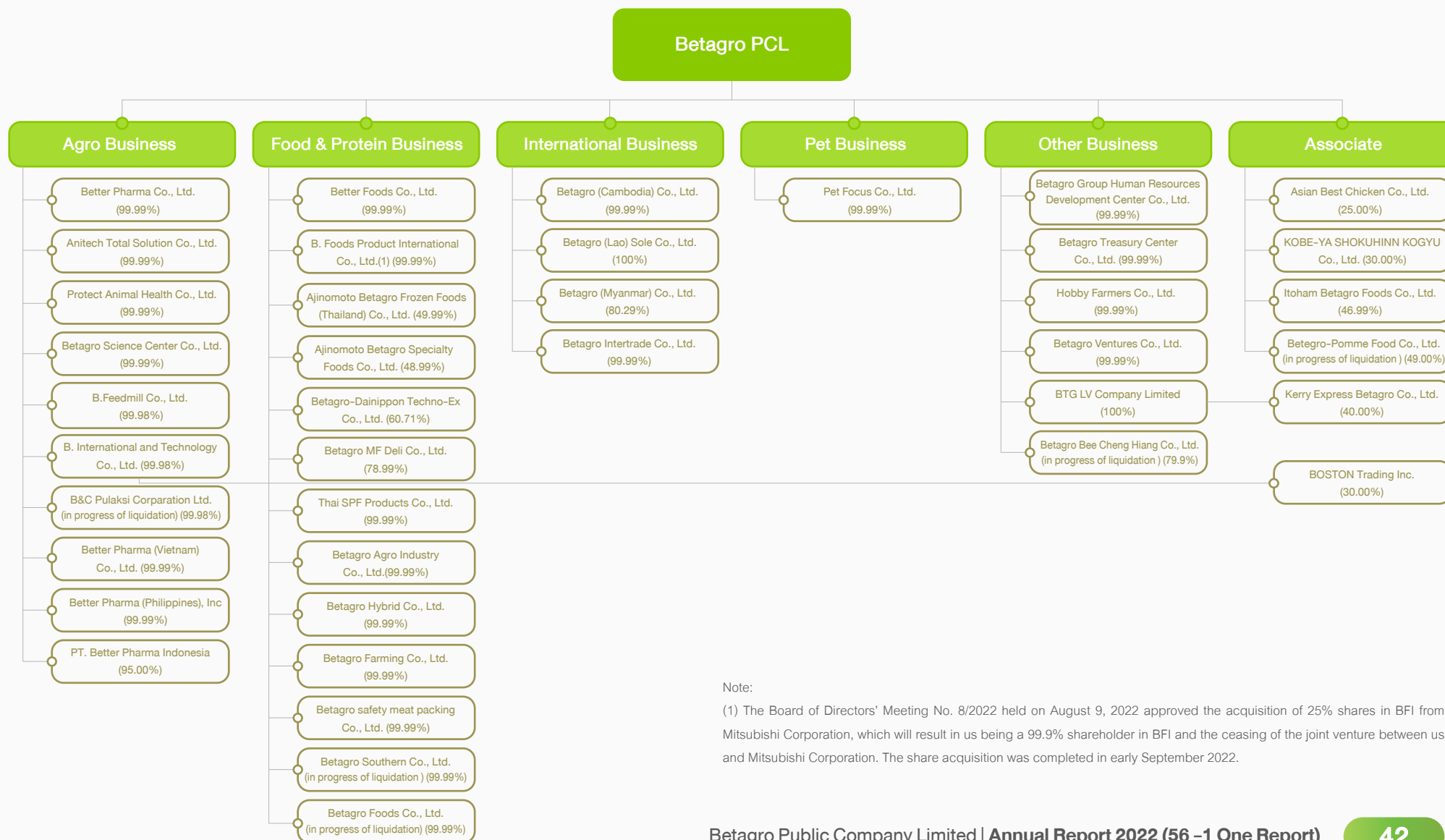
Our pet products are sold in Thailand through various channels, including retail stores, veterinary clinics, modern trade and e-commerce channels. We also export our pet food products internationally, primarily to the Philippines, Indonesia, Malaysia, Japan and India. The following table sets forth a breakdown of our revenue from sale of goods and rendering of services of our pet business by the price level of our product line for the periods indicated.

	For the year ended December 31,					
	2020		2021		2022	
	THB	%	THB	%	THB	%
Premium	37.6	3.3	82.6	5.5	164.9	7.5
Standard	312.5	27.1	375.9	25.2	595.9	26.9
Economy	800.2	69.6	1,032.8	69.3	1,450.2	65.6
Total	1,150.3	100.0	1,491.3	100.0	2,211.0	100.0



1.3 Shareholding Structure

1.3.1 Shareholding Structure of Affiliated Companies as of December 31, 2022



Subsidiaries

Company	Business	Year incorporated / registered	Ownership ⁽¹⁾ (%)	Paid-up capital ⁽¹⁾ (THB mm)
Better Pharma Company Limited	Manufacturing and distribution of pharmaceutical supplies, supplementary food and chemical products for animals	1978	99.9	151
Anitech Total Solution Company Limited	Distribution of pharmaceutical supplies, supplementary food, and chemical products for animals	1989	99.9	15
Protech Animal Health Company Limited	Distribution of pharmaceutical supplies, supplementary food, and chemical products for animals	1978	99.9	33
Betagro Science Center Company Limited	Biochemical analysis service	1994	99.9	98
B. International and Technology Company Limited	Production and distribution of machines and equipment for animal feedmill production	1983	99.9	2
B & C Pulaski Corporation Limited (in process of liquidation)	Production and distribution of corncob	1997	99.9	25
B. Feedmill Company Limited	Leasing out property	1978	99.9	10
Better Pharma (Philippines), Inc.	Shops for distribution of pharmaceutical supplies, supplementary food and chemical products for animals	2015	99.9	7
PT. Better Pharma Indonesia	Shops for distribution of pharmaceutical supplies, supplementary food and chemical products for animals	2016	95.0	7
Better Pharma (Vietnam) Company Limited	Shops for distribution of pharmaceutical supplies, supplementary food and chemical products for animals	2014	99.9	10

Company	Business	Year incorporated / registered	Ownership ⁽¹⁾ (%)	Paid-up capital ⁽¹⁾ (THB mm)
Better Foods Company Limited	Manufacturing of frozen chicken products and operating chicken farming	1980	99.9	1,192
B. Foods Product International Company Limited ⁽²⁾	Manufacturing of frozen chicken products and chicken farming	1990	99.9	300
Ajinomoto Betagro Frozen Foods (Thailand) Company Limited ⁽³⁾	Manufacturing and distribution of frozen chicken products	1995	50.0	764
Ajinomoto Betagro Specialty Foods Company Limited ⁽⁴⁾	Manufacturing and distribution of frozen pork products	2004	49.0	390
Betagro – Dainippon Techno-Ex Company Limited ⁽⁵⁾	Manufacturing and distribution of concentrated soup and extracted oil from animal bones	2002	60.7	140
Betagro MF Deli Company Limited ⁽⁶⁾	Manufacturing and selling of frozen pork products and chicken products	2011	78.9	330
Thai SPF Products Company Limited	Breeding swine free of certain diseases for sale	1993	99.9	300
Betagro Agro Industry Company Limited	Livestock for sale and manufacturing of frozen meats products	1973	99.9	4,850
Betagro Hybrid Company Limited	Leasing out swine farm	1980	99.9	55
Betagro Farming Company Limited	Leasing out chicken farm	1975	99.9	50
Betagro Safety Meat Packing Company Limited	Swine slaughterhouse and swine cutting for sale	2002	99.9	675

Company	Business	Year incorporated / registered	Ownership ⁽¹⁾ (%)	Paid-up capital ⁽¹⁾ (THB mm)
Betagro (Cambodia) Company Limited	Manufacturing and distribution of animal feeds, livestock and food	2008	99.9	533
Betagro (Lao) Sole Company Limited	Production and distribution of animal feed, livestock and food	2008	100.0	34
Betagro (Myanmar) Company Limited ⁽⁷⁾	Distribution of animal feeds and livestock	2018	80.3	64
Betagro Intertrade Company Limited	Distribution of products to oversea markets	2009	99.9	100
Pet Focus Company Limited	Manufacturing and distribution of pet food and snacks	2004	99.9	373
Betagro Group Human Resources Development Center Company Limited	Training and seminar service center	2013	99.9	1
Betagro Treasury Center Co., Ltd.	Provision of money exchange	2014	99.9	7
Hobby Farmer Co., Ltd.	Selling farm equipment kits	2021	99.9	1
Betagro Ventures Co., Ltd.	Investment holding company	2022	99.9	30
BTG LV Company Limited	Investment holding company	2021	100.0	0 (US\$1)
Betagro Southern Co., Ltd. (in process of liquidation)	Manufacturing animal feeds, raising swine and chicken for sale	1989	99.9	268
Betagro Foods Co., Ltd. (in process of liquidation)	Distribution of frozen pork and chicken products	1994	99.9	130
Betagro Bee Cheng Hiang Co., Ltd. (in process of liquidation)	All food product's distributor store business	2014	79.9	30

Associates and Joint Ventures

Company	Business	Year incorporated / registered	Ownership ⁽¹⁾ (%)	Paid-up capital ⁽¹⁾ (THB mm)
Itoham Betagro Foods Company Limited⁽⁸⁾	Manufacturing and selling of pork products such as meallballs and sausages	2009	47.0	172
Asian Best Chicken Co., Ltd.⁽⁹⁾	Manufacturing and distribution of frozen chicken products	2017	25.0	1,833
Kobe-Ya Shokuhin Kogyo Co., Ltd.⁽¹⁰⁾	Wholesale of meat products and import-export meat, vegetables and fruits	1989	30.0	32
Boston Trading Inc.⁽¹¹⁾	Import and distribution of cooked products, pork, chicken and sausage products	2007	30.0	5
Kerry Express Betagro Company Limited⁽¹²⁾	Cold chain delivery	2021	40.0	50
Betagro-Pomme Food Co., Ltd. (in process of liquidation)	Food and beverage restaurant business	2014	49.0	29

Note:

(1) Data as of December 31, 2022

(2) Joint venture with Mitsubishi Corporation which held 25.0% equity interest. However, the Company's Board of Directors' Meeting No. 8/2022 held on August 9, 2022 approved the acquisition of 25% shares in BFI from Mitsubishi Corporation, which resulted in us being 99.9% shareholder in BFI and the ceasing of the joint venture between us and Mitsubishi Corporation. The share acquisition was completed in early September 2022.

(3) Joint venture with Ajinomoto Group which held 50.0% equity interest. Since the Company can control the appointment or removal of more than half of all Directors, Ajinomoto Betagro Frozen Foods (Thailand) Company Limited is deemed subsidiary under the Thai SEC Act.

(4) Joint venture with Ajinomoto Group which held 50.0% equity interest. Since the Company can control the appointment or removal of more than half of all Directors, Ajinomoto Betagro Specialty Foods Company Limited is deemed subsidiary under the Thai SEC Act.

(5) Joint venture with DSP Gokyo Food & Chemical Co., Ltd. which held 39.3% equity interest

(6) Joint venture with Marudai Food Co., Ltd. which held 20.0% equity interest and Boston Trading Co., Ltd. which held 1.0% equity interest

(7) Joint venture with Shwe Me Co., Ltd. which held 19.7% equity interest

(8) Joint venture with Itoham Food Inc. which held 50.0% equity interest

(9) Joint venture with Mitsubishi Corporation which held 50.0% equity interest and Itoham Yonekyu Holdings Inc. which held 25.0% equity interest

(10) Joint venture with Japanese investors who collectively held 44.0% equity interest and Thai investors who collectively held 26.0% equity interest

(11) The Company indirectly holds shares through B. International and Technology Co., Ltd.

(12) The Company indirectly holds shares through BTG LV Company Limited to establish a joint venture with Kerry Express

(Thailand) Public Company Limited which held 60.0% equity interest

1.3.2 Shareholding in BTG, subsidiaries, or associated companies exceeding 10% by parties of potential conflicts of interest

- None -

1.3.3 Relationship with Major Shareholder's Businesses

- None -

1.3.4 Shareholders

Top 10 major shareholders of BTG as of October 31, 2022 are as follows:

List of Major Shareholders	Number of Shares (Shares)	Shareholding Proportion (%)
1. Betagro Holding Co., Ltd	634,800,000	32.81
2. TAE HK Investment Limited	400,000,000	20.67
3. Merrill Lynch (Singapore) Pte Ltd.	154,132,000	7.97
4. Ms. Jenjira Taepaisitpong	35,352,122	1.83
5. Ms. Piyaporn Taepaisitphongse	25,997,362	1.34
6. Ms. Premratn Taephaisitphongse	24,315,000	1.26
7. Ms. Thanomvong Taepaisitphongse	22,703,762	1.17
8. Ms. Somsri Thongthai	20,567,424	1.06
9. Mrs. Waritsa Taephaisitphongse	17,142,662	0.89
10. Mr. Ratchaphol Asvinvichit	15,762,014	0.81

1.4 Amount of Registered Capital and Paid-Up Capital

Registered Capital and Paid-up Capital: As of 31st December 2022, BTG's registered capital was THB 10,000,000,000 with 2,000,000,000 ordinary shares at a par value of THB 5 per share. The paid-up capital was THB 9,674,000,000 with 1,934,800,000 ordinary shares.

1.5 Issuance of Other Securities

1.5.1 Convertible Securities

- None -

1.5.2 Debt Securities

Debentures

As of 31st December 2022, there were 5 outstanding debentures, totaling principal of THB 7,000 million as prescribed below. All debentures have been rated "A" with "Stable" outlook by TRIS Rating Co., Ltd. on 15th December 2022.



No.	Debentures	Amount (THB mm)	Issued Date	Maturity Date	Tenor (Years)	Coupon Rate per Annum	Key Financial Ratio Requirements
1.	BTG Debenture No. 2/2017 Series 3 (Unsubordinated and Unsecured Debentures without a Debentureholders' Representative in the Name-Registered Certificate)	1,000	July 21, 2017	July 21, 2024	7	3.37	The debenture issuer must maintain Debt to Shareholders' Equity ratio not more than 2 : 1 as of 31 st December of each year
2.	BTG Debenture No. 1/2018 (Unsubordinated and Unsecured Debentures without a Debentureholders' Representative in the Name-Registered Certificate)	2,000	March 28, 2018	March 28, 2023	5	2.52	The debenture issuer must maintain Debt to Shareholders' Equity ratio not more than 2 : 1 as of 31 st December of each year
3.	BTG Debenture No. 1/2020 Series 1 (Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate)	800	August 11, 2020	August 11, 2023	3	2.70	The debenture issuer must maintain Debt to Shareholders' Equity ratio not more than 2 : 1 as of 31 st December of each year
4.	BTG Debenture No. 1/2020 Series 2 (Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate)	1,000	August 11, 2020	August 11, 2024	4	3.00	The debenture issuer must maintain Debt to Shareholders' Equity ratio not more than 2 : 1 as of 31 st December of each year
5.	BTG Debenture No. 1/2020 Series 3 (Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate)	2,200	August 11, 2020	August 11, 2025	5	3.31	The debenture issuer must maintain Debt to Shareholders' Equity ratio not more than 2 : 1 as of 31 st December of each year

Bill of Exchange

As of 31st December 2022, BTG had outstanding bills of exchange totaling THB 8,830.0 million.

1.6 Dividend Policy

1.6.1 BTG's Dividend Policy

Our Board of Directors may recommend annual dividends, subject to approval of our shareholders meetings. The PLCA and our Articles of Association also provide that our Board of Directors may decide to pay to the shareholders such interim dividends as appear to the directors to be justified by our profits and other considerations. Distribution of interim dividend must be reported to the shareholders at the next meeting of shareholders following the meeting of our Board of Directors that approved the interim dividend. Payment of dividends shall be made to entitled shareholders within one month of the date on which dividends are declared by our Board of Directors or the shareholders (as the case may be).

The Company has a policy to pay dividends at the rate of not less than 30% of our net profits based on our standalone financial statements after deducting corporate income tax and any reserve funds as required by law and as determined by us, taking into account the consolidated financial statements, provided that the dividend payment shall not exceed our retained earnings based on our standalone financial statements. We cannot pay dividends if we have accumulated losses based on our standalone financial statements. The payment of dividends and dividend rates are subject to change, depending on our financial conditions, results of operations, cash flow, working capital, future investment plans and business expansion, as well as market conditions, legal requirements, debt obligations, conditions or restrictions imposed by financing agreements and other factors as deemed suitable and appropriate by our Board of Directors.

1.6.2 Dividend Policy for Subsidiaries

Dividend policy of each subsidiary will be as resolved by its Board of Directors and approved by the annual general meeting of shareholders. The Board of Directors of subsidiaries will consider the ability to pay dividends in accordance with the laws and regulations of the subsidiaries by taking into account various factors for the shareholders' benefit. These factors include overall economic conditions, operating performance, financial position, cash flow, investment plans, provision for repayment of borrowings, conditions and limitations stipulated in the loan agreement in terms of financial conditions and operations as well as other necessities and suitabilities, determined by the Board of Directors of subsidiaries, as appropriate.



2. Risk Management

2.1 Risk Management Policy and Plan

Betagro recognizes the significance of risk management as a foundation for efficient general management and business operation. It enables the Company to achieve its goals in generating profit and protecting its stakeholders' benefits. Hence, Betagro has put in place a corporate risk management framework while promoting a corporate culture of developing and maintaining risk management policies.

2.1.1 Criteria and Conditions for Risk Management Plan

Betagro's risk management policy specifies that its strategic plan, operating plan and business operation shall be balanced between risks and returns. This is to ensure that the Company's objectives, business goals and stakeholders' expectations are achieved at an acceptable risk level. The policy also states that risk management becomes a part of Betagro's operation and that risks shall be managed in a timely manner and on a continuous basis through a review process which will specify an acceptable risk level. Risks shall be evaluated, monitored and reported. In addition, the effectiveness of risk management shall regularly be evaluated.

2.1.2 Risk Management Procedures

2.1.2.1 Roles and Responsibilities

- The Board of Directors shall consider and approve the risk management policy, supervise and support the enforcement of the plan through the Risk Management Committee. They shall also take any other action on matters related to risk management as specified in the Board of Directors' Charter.
- The Risk Management Committee shall audit and present the risk management policy and framework to the Board of Directors for consideration and approval. The Committee shall also audit, evaluate and monitor risk management as well as regularly report to the Board of Directors on risks and major risk management. In addition, it shall take any other action on matters related to risk management as specified in the Risk Management Committee's Charter.
- The Risk Management Unit shall communicate Betagro's risk management policy and framework internally, give advice on how to write and review risk management plans, summarize and report risk management results to the Board of Directors through the Risk Management Committee periodically.
- The Risk Control Officer (RCO) shall be responsible for

enforcing the risk management policy and monitoring it on a regular basis.

- All employees shall be responsible for complying with the approved risk management policy.

2.1.2.2 Risk Management Policy Review

The risk management policy stipulates that in case the Risk Control Officer (RCO) finds that the risk management policy is not suitable for the operating condition, the RCO shall discuss with the Risk Management Unit and present their recommendations to the Board of Directors through the Risk Management Committee for approval and improvement of the risk management policy. It also stipulates that the Risk Management Committee shall carry out policy review regularly, at least once a year and present its recommendations to the Board of Directors for approval.

2.2 Business Risk Factors

2.2.1 Strategic Risk

2.2.1.1 Risk from Changes in Consumer Behavior

Consumer behavior related to food safety and health changed tremendously, particularly during the COVID-19 pandemic. Most consumers would choose higher quality, cleaner and

safer products and changed their buying channels to protect themselves from the pandemic. At the same time, they reduced going out to eat at restaurants to avoid risks from being infected by crowds. Consequently, Betagro had to change its product sales model by managing products sold in shops, selling via online channels, and adjusting the packaging size in line with changes in consumer behavior. At the same time, the profile of societies in target markets changed – particularly through an increase in the senior citizen demographic. To create new opportunities, Betagro therefore continued to develop its products in order to respond to the quantity and demand of consumers with different age groups.

Risk Management

Betagro studied and developed a variety of sales channels to create new sales opportunities. For example, the company:

- Reviewed the locations of its branches and shops to ensure that they are appropriate and increased the variety of products under the Betagro brand. The Company also combined its strength with potential partners in order to create more variety in its product range.
- Improved sales by offering Betagro products through new sales channels such as digital and social media.
- Offered special promotions for new sales channels to build a new customer base.
- Provided service delivery for the convenience and comfort of modern consumers.

Betagro also continued to focus on developing food innovation in order to adjust to changes in the global food industry, the aging society and consumer behavior. The company:

- Conducted research and studies on food innovation jointly with experts to ensure its businesses align with consumer behavior trends and changes in the population structure. As a result, Betagro was able to offer new products more quickly and in a timely manner amidst business changes.
- Developed products which focused on nutritional health, health and well-being.
 - S-Pure products are the result of careful swine breed and poultry selection combined with a natural raising method in a closed barn and animal feed with high protein from grains. In addition, hormone and bio-stimulants were not used. The animals were closely monitored by veterinarians and went through high standard processing. With a comprehensive modern technology, the temperature was controlled from the processing plant to distribution points.
 - Products with less sodium and fat.
- Developed more products to respond to consumers' needs. This included the development of broilers and gruntes fed with a new food formula which resulted in softer meat.

2.2.1.2 Risk from Expectation of Higher Product Standards

Customers and consumers continued to expect and demand more standards or regulations such as Sustainability Regulation. Consequently, with necessary higher standards the animal husbandry process, food production and production cost were affected.

Risk Management

Developing products in line with customers' and consumers' needs is a fundamental factor which Betagro has used in its business operations. The following activities were implemented to leverage its business operation:

- Developed sustainability at the original source of animal feed raw materials. For example, corn was purchased from sources which could identify the farmland based on its license document.
- Improved animal husbandry and production processes by promoting among staff the importance of animal welfare and animals' natural behavior, while reducing animals' physical changes in various formats.
- Set up a unit to provide support for production to comply with products' sustainable regulations and standards.
- Designed a production process to reduce food waste.
- Developed Betagro's food production standards into one single system throughout the entire supply chain.

- Studied social and consumer trends and expectations and applied the results in Betagro's business operation on a continuous basis.

2.2.1.3 Risk from Climate Change

Rapid changes in weather conditions during the past few years led to natural disasters and climate variability impacting Betagro's supply chain. These disasters included droughts, forest fires from dry seasons, mudslides and flash floods. Additionally, stakeholders expected the Company to operate its businesses by taking into account environmental, social and governance (ESG) factors, as well as management and disclosure of information on risks related to climate change.

Risk Management

Realizing its environmental and social responsibilities while operating businesses, Betagro formulated operating strategies and guidelines aimed at a low carbon society. Details of the activities are as follows:

- Set clear short-term goals to reduce greenhouse gas emissions. Betagro is in the process of setting long-term goals for the reduction of greenhouse gas emissions.
- Implemented various projects to increase the efficiency of production process and energy conservation such as steam boiler efficiency improvement and reduction of power used in the cooling system.

- Promoted the use of renewable energy such as solar energy, biomass energy and biogas from waste water treatment systems.
- Encouraged the evaluation of greenhouse gas emissions at the corporate level and in products through the certification of Carbon Footprint Organization and Carbon Footprint Product labels.

2.2.1.4 Risk from Personnel to Support Future Business Growth

One of Betagro's goals is to expand its business domestically and internationally. However, the current change to the New Normal working method with more people working from home plus the change in business operation to more use of new technologies forced the Company to adapt and prepare its human resources to support future business growth and minimize the impact from qualified personnel shortage.

Risk Management

Betagro focuses on enhancing the staff's potential, knowledge and ability. It provides opportunities for leadership building, develops staff at all levels to be good and skillful as well as encourages them to work professionally and be ready for continued learning during their professional life. Betagro also realizes that staff are important resources for its business operation and are the ones who drive the Company to successes. Consequently, human resources management

system has been improved and updated regularly in line with Betagro's strategic business plan to support future sustainable growth. Details of various implemented activities are as follows :

- Searched for experienced and qualified personnel from outside to transfer knowledge to Betagro's staff so that they could learn new things and exchange knowledge.
- Enhanced staff's potential and ability through on-the-job training and e-learning supported by the Learning Management System (LMS).
- Developed Betagro's succession plan.
- Developed the Talent Group through the Individual Development Plan (IDP) in order to create opportunities for these staff to improve themselves along with business development.
- Improved staff based on the competency of each work group in order to increase their knowledge and skills.
- Rotated staff in order to enhance their knowledge and skills as well as allow them opportunities to use their ability widely.

2.2.2 Operational and Business Risk

2.2.2.1 Product Quality and Safety Risk

At present, consumers put higher priority on freshness, cleanliness and safety of meat and food products for their better health and disease prevention. Betagro therefore aims at delivering fresh, clean and safe food to consumers through

its high standard production process, delivery and storage systems to build confidence and attract buyers. The Company presents products that respond to consumers' needs in terms of taste, quality, safety and nutritional values based on Thailand's and its partner countries' food laws and requirements.

Risk Management

At Betagro, high priority is given to product quality and safety with the following risk management measures:

- Modern technology is used in the production process to achieve international standards of production. The Betagro e-Traceability System allows for a quick trace back in case of contamination or products with a lower standard. This enables the Company to provide quality assurance in every step in production. In addition, a quality control system is in place to cover the entire supply chain. Based on international standards, this comprehensive system includes control of raw material quality, to inspect raw materials, to design packaging, to package, to transport and store products before they reach consumers. As a result, Betagro has received numerous certificates for product evaluation standards such as GMP, HACCP and ISO9001.
- Betagro Quality Management standard is applied in every production step ensuring that Betagro's products are of international standard quality and safety.

- Betagro is teamed with research and innovation development experts in animal feed production, livestock, production of food that is suitable for nutritional health and nutrient consumption requirements. At the same time, consideration is given to quality and safety, consumers' needs and compliance with the law.
- Betagro and Japan's Sumitomo Group jointly set up Thai SPF Products Company Limited to produce and distribute pigs raised with SPF technology. With this technology, pigs are free from major diseases or groups of diseases as it puts emphasis on control and prevention in every production step. This results in clean pork without residues as a new and safe alternative for consumers.

2.2.2.2 Risk from Meat Product and Live Animal Price Fluctuations

The major products of Betagro's food and protein businesses are meat products and live animals. However, their prices are determined by market supply and demand at a particular period. And the factors impacting demand consist of consumers' purchasing power and confidence in that particular product. All these factors may cause the prices to drop lower than anticipated and therefore impact Betagro's profit ratio and net profit.

Risk Management

Product value creation is emphasized to minimize the impact

from the fluctuations of meat products and live animals. This is done by processing more live animals into meat products than selling them and producing more cooked products. In addition, Betagro focuses on making its brands well known among various consumer groups.

2.2.2.3 Risk from Fluctuating Prices of Raw Materials Used in Animal Feed Production

Animal feed products may be impacted by fluctuating prices of raw materials which change according to world market prices. Raw material prices will change based on the demand and the quantity of the produce during a particular period and season, especially maize and soybean meal which are major raw materials in animal feed production. These raw materials can be used in the production of biodiesel; thus, their prices fluctuate according to market prices. Nevertheless, Betagro was able to adjust animal feed product prices to be in line with the increased animal feed raw material costs. This price adjustment was approved by the Department of Internal Trade as animal feed product prices are controlled by the government unit. Occasionally, the approved prices may be less than the actual increase in raw material prices.

Risk Management

Betagro's Purchasing Team closely monitors the raw material situation, and makes agreements in advance to buy raw materials required in animal feed production. The objective

is to reduce risks from raw material price fluctuations. At the same time, Betagro is equipped with a big silo and warehouse to store raw materials sufficient for the entire year production. Furthermore, the Company's Animal Feed Technology Center conducts researches and studies on alternative raw materials for animal feed production enabling it to efficiently manage animal feed raw material cost.

2.2.2.4 Risk from Pandemic in Humans (COVID-19)

The COVID-19 pandemic has severely impacted economic and social stability, including safety, employee health or the Company. In particular, if the disease spreads in the major production base causing production to stop and products not delivered to customers, this will significantly affect its operation or business continuity. Therefore, Betagro has to prepare itself, monitor situations and plan for the prevention of the continuing pandemic in order to build all stakeholders' confidence.

Risk Management

Betagro realizes that the COVID-19 pandemic has continued to affect its staff, customers, partners and society. In order to build employees' confidence in their work safety, in the production of safe and sufficient products to meet consumers' demand, Betagro implemented the following measures to prevent and mitigate situations so that its businesses could move on without any interruptions.

- Established COVID-19 Prevention Committees at the corporate and business unit levels to implement preventive measures and deal with COVID-19 infection. Meetings were held every week to monitor situations, and measures were elevated to cope with the changing situations.
- Prepared an area for those infected with COVID-19 such as a field hospital.
- Watched out and monitored the news related to the spread of the disease in the plants and the nearby area.
- Pushed and sought for vaccine for Betagro's staff in order to boost immunity as per the government's policy.
- Created a Business Continuity Plan (BCP) in every business and rehearsed the BCP plan continually.
- Specified Social Distancing and Work from Home for certain staff.
- Continued to comply with the government's policy to prevent and control the pandemic.

2.2.2.5 Risk from Disease Outbreaks in Animals

Disease outbreaks in poultry and pigs are still a major risk for the livestock production industry as they directly impact the quantity and quality of the products headed to market. Even though Betagro's produce may not be directly affected by an outbreak, once it happens it often impacts the whole industry – particularly in terms of consumer confidence. This may slow the consumption of products derived from the livestock

associated with news of the outbreak. In addition, a severe domestic disease outbreak may limit exports to other countries. This will significantly impact farmers and the Company's performance.

Risk Management

Prevention of disease outbreaks in animals is one of Betagro's priorities. It, therefore, implemented the following risk prevention measures:

- Coupled with Betagro Quality Management (BQM) system, all livestock farms were certified with 'Good Agricultural Practice in Livestock' from the Department of Livestock Development.
- Animals were raised in closed farms with a close-system animal housing in which persons not involved were not allowed.
- Manuals and Biosecurity System covering the entire production process were strictly followed and practiced.
- Complied with Veterinary Health Plan which includes animal welfare, disease prevention, disease treatment and monitoring.
- Prepared proper housing environment for each type of animals.
- Suitable vaccines with international standards were used for each type of animals.
- Manuals were published and disease outbreak emergency plan was rehearsed.

2.2.2.6 Corporate Image and Reputation Risk

In its business operation, Betagro focuses on strengthening cooperation based on good understanding of all parties, responding to the expectations of all stakeholders and providing them with accurate, transparent and up-to-date information. All of these steps are part of its good governance and sustainable development. Currently, Betagro disseminates information, creates a positive image, prevents any negative impact and creates better understanding through various communication channels with advanced technology and greater speed. These channels include the media, meetings and face-to-face discussions.

However, the contents, feelings, comments and complaints on different matters may risk the corporate image and reputation. It is therefore Betagro's duty and responsibility to present messages, information, facts and its position to respond to the interests or concerns of all stakeholders – including its shareholders, investors, partners and consumers who buy Betagro products and services. This is because the corporate image and reputation may impact its business operation as well as its various product and service brands.

Risk Management

For Betagro, good governance and compliance with the law are among its top priorities. The target groups vary and cover

all stakeholders including employees. Major activities implemented in this regard are as follows:

- Created a risk management plan and prepared the whole company for any crisis affecting its image while regularly responding to its stakeholders' interests, expectations and concerns. Evaluation of situations every quarter and listening to feedback from communities, partners, customers and government units were included.
- Disclosed factual, accurate and transparent information with consideration to ethics, duties, responsibilities and all stakeholders' rights.
- Promoted sufficient dissemination of information from the Company to all parties without any discrimination. Betagro encourages free trade competition and avoids any action that may cause conflicts, conflicts of interests and intellectual property violation.
- Encouraged the disclosure of information related to sustainable development, social responsibilities, reduction of environmental impact and good governance particularly against all types of corruption.

For the practice based on the principles related to corporate affairs and communication including press relations and disclosure of information as well as public hearing on social media, Betagro specified the following clear formats and procedures:

- Set up a unit and procedure to monitor information from digital and social media.
- Created an emergency communication plan and notification to executives involved about the response to the news.
- Designed and developed work procedures that are in line with related laws and regulations and are suitable for the current business operation.
- Developed internal communication for both normal and abnormal situations.
- Opened communication channels for stakeholders to send their complaints or concerns, suggestions, feedback on products and services, as well as business directions.
- Conducted expectation surveys as well as continually analyzed stakeholders' opinions and satisfaction so that results could be used in future business planning and improvement.
- Determined risk key indicators and incident management guidelines with continued progress monitoring.

2.2.2.7 Cyber Risk

At present, technologies and information technology systems are important tools for driving businesses and companies to move forward. Digital transformation also forces businesses to encounter more cyber threats. Thus, maintaining safety from these threats plays a significant role in businesses as it helps boost users' confidence.

Risk Management

Betagro has prepared itself to cope with cyber threats and managed personnel, procedure and IT tool risks by implementing the following measures:

- Set up Cyber Hygiene which is an initial measure to heighten safety and security in preventing and dealing with major cyber threats from both inside and outside.
- Established an IT Security Unit to oversee and manage cyber risks in line with the international standard of “3 Lines of Defense”.
- Received ISO 27001 certificate (Information Technology Safety and Security Management) and ISO 31000 certificate (Corporate Risk Management).

2.2.3 Financial Risk

2.2.3.1 Risk from Exchange Rate Fluctuations

Another focus of Betagro is on exchange rate management – particularly in the international business group. The exchange rate fluctuations may have a significant impact on its performance.

Risk Management

Betagro's policy and measures to manage exchange rate fluctuations are as follows:

- Set up a Treasury Center to manage exchange rate risks

and report global economic conditions and money market risks to Betagro's executives and the Risk Management Committee. Under the exchange rate risk management policy, the Natural Hedge method was used. In other words, income and expenses from products and services were allocated the same currency.

- Additional exchange rate management tools including Forward Contract and Options which have to be approved by authorized persons only were used.

2.2.3.2 Investment Risk

Betagro has plans to invest continually in order to leverage its business competitiveness and sustainable growth on a long-term basis. While continuing to search for new opportunities, it has encountered investment return risks, delayed in project or plan implementation or higher investment cost than budgeted. All these may have an impact on its performance and future strategic directions.

Risk Management

Betagro put priority on its investment plan and set the following measures to manage investment risks:

- Established an Investment Management Unit to oversee its investment and to ensure that it is in line with the Company's investment policy. The Unit conducts feasibility studies and estimates expected returns. It also analyzes various investment risk factors, impact on

society and environment, sources of investment capital, investment capital allocation and its financial status.

- Set up Business Solution Department to oversee Betagro's investment and to ensure consistency with its growth strategy. Investment project screening procedure for both before and after the investment was also set up. Under this procedure, the progress of each project was regularly monitored in a systematic way to ensure that Betagro's investment projects could be implemented as per the plan.

2.2.4 Compliance Risk

2.2.4.1 Risk from Changes in Laws and Government's Policy

Betagro operates four major business groups: agro industry, food and protein, international and livestock. All of these business groups are likely to receive both direct and indirect impact from changes in laws or government policy, which may in turn effect its performance significantly. Examples include the following changes:

- Tax collection policy such as import and export tax rates and value added tax.
- Policy and limitation in product import and export.
- Private sector investment promotion policy.
- Other policies and regulations which may occur in the future such as climate change and COVID-19 pandemic regulations.

If Betagro does not comply with or does not comply fully with the laws and regulations, its reputation may be jeopardized and it may be penalized or fined. In addition, it may affect the Company's performance and competitiveness.

Risk Management

Betagro realizes that laws and government policy are important to its business operations. Hence, it continually monitors government's policy and changes in various laws in order to adjust its operating plan in line with the current condition, to minimize the risk or impact due to the changes in laws and government's policy. In addition, Betagro set up a legal unit to monitor and report on government's policy changes, laws, regulations and requirements related to both domestic and international operation. This ensures that if there is any change in laws related to its business operation, Betagro is ready to adjust in a timely manner for accurate and appropriate compliance.

2.2.4.2 Legal and Trade Barrier Risk

As accurate compliance with the law in Thailand and overseas is important, Betagro set up a unit with experts to monitor, study and analyze laws related to its business operation. This unit also communicates these laws to employees so that they can use their knowledge and understanding to plan their work in line with the regulators' laws and regulations. However, sometimes staff may not fully comply with related laws,

regulations and requirements. This may impact Betagro's reputation or result in fines, legal suits and loss of significant business opportunities.

Additionally, with its plan to invest more overseas the Company may encounter trade barriers in some countries where it imports or export products. The barriers may be in the form of tariff barriers including an increase in tax rates for product and raw material import, and non-tariff barriers such as a set quota for product import and specified qualifications for import products. All these may result in the Company's higher product cost due to import taxes, business opportunity loss and competitiveness.

Risk Management

Betagro fully complies with the laws and regulations of the regulating units both in Thailand and overseas. Furthermore, it has developed the following systems to create confidence in its business operation:

- Created a data warehouse to supervise legal compliance by collecting various laws, regulations and policies as well as important contracts, permits and standards awarded to Betagro for convenient audit.
- Assessed risks from not complying with the laws such as Personal Information Protection Act B.E. 2562 and monitored the work through the Internal Audit Unit.
- Coordinated with experienced external consultants to plan Betagro's operation.

2.3 Risk Factors for Securities Holders' Investment

There are risks involved in investing in Betagro's shares as it cannot guarantee whether the price of BTG share will remain the same level or drop significantly. BTG share price may fluctuate due to many factors beyond Betagro's control such as:

- Global and Thai economic conditions.
- Behavioral changes which may affect the finance industry, the overall economy, capital market condition and other incidents or factors.
- Investors' attitude towards opportunities and risks of the overall industrial growth.
- The fluctuations in the Company's performance may be different from its goals or analysts' estimates.
- Analysts' advice or attitude on BTG share or Betagro's businesses.

Nevertheless, the above-mentioned risk factors do not reflect all the challenges Betagro is currently facing or may face in the future. All of these challenges may have an impact on its business operation, performance, financial status and business opportunities, and may cause demand and BTG share price to fluctuate.

3. Driving Business towards Sustainability

3.1 Sustainability Management Policy and Goals

Betagro and its subsidiaries believe that sustainable business growth must be accompanied by genuine contributions to society, community and environment. The Company has therefore laid out a policy and procedures for sustainability management in line with the United Nations' Sustainable Development Goals (SDGs). Under this policy and procedures, business operations are carried out based on environmental, social and governance (or ESG) ethics for stakeholders throughout the entire supply chain. Betagro's main objective is to improve people's lives and communities with higher standard and safer quality food at fair prices as these are necessities of life and the foundation for sustainable development.

Betagro and its subsidiaries have specified the following two sides of its operations to take the lead in achieving a balance between profit, people and planet:

1 Business

- Delivery of products and services with a purpose in mind
- Driving business operations based on food related SDGs
- Building networks of agro-industrial and food business operators according to the Customer Relationships Management (CRM) principles
- Upgrading operations and the development of Safety, Health and Environment (SHE) knowledge while continually taking good care of employees

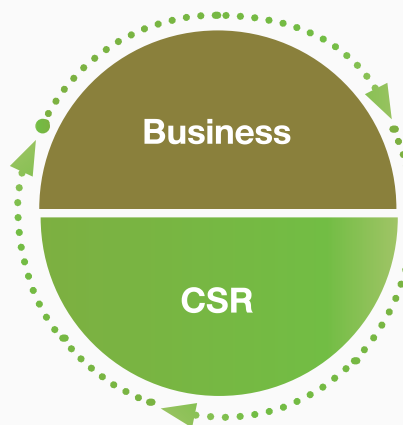
2 Corporate Social Responsibility (CSR)

Betagro and its subsidiaries operate business with social responsibility by creating good relationships with surrounding communities and taking care of them while ensuring that Betagro operations do not have any negative impact on their lives. At the same time, support is given to communities so that they can also achieve sustainable development.

Through Circular Economy business operations and with other parties working together, the use of resources with the highest efficiency including waste recycling and reduction was developed and designed.

Betagro Sustainable Development

With commitment to our Purpose and Belief, we have specified two sides of our operations to take the lead in achieving a balance between profit, people and planet.



Business

- Delivery of products and services with commitment to our Purpose and Belief
- Building networks of agro-industrial and food business operators according to CRM principles
- Upgrading operations and development of SHE (Safety, Health and Environment) while continually taking good care of employees

Corporate Social Responsibility (CSR)

- Operating business with social responsibility by taking care of surrounding communities and creating good relationships
- Supporting communities to achieve sustainable development

Corporate Sustainability Management Goals

Betagro adheres to its objective of improving people's lives and communities with higher quality and safer food at fair prices as these are life's necessities and a foundation for sustainable development. The Company and its subsidiaries have applied the United Nations' Sustainable Goals (SDGs) Item 2 on Zero Hunger; Item 3 on Good Health and Well-Being; Item 12 on Responsible Consumption and Production; and Item 17 on Partnerships for the Goals – all of which are in line with Betagro's objectives and beliefs, to deliver higher quality and safer food to society in general. The Company is also ready to attain other related UN Sustainable Goals for development of environment, society and community. Betagro and its subsidiaries have laid out the following operating guidelines to strengthen and drive goal achievement:

SDGs 2: Zero Hunger

Betagro and its subsidiaries have jointly promoted small and medium enterprises (SME) in the supply chain including nearby communities operating agriculture and livestock businesses as well as small and medium restaurants around the country to improve production efficiency and effectiveness and create food stability. To achieve this, gaps are identified and business efficiency problems are solved.

SDGs 3: Good Health and Well-Being

Betagro and its subsidiaries have jointly promoted good health among consumers through the delivery of high-quality products such as chicken meat, pork and eggs from animals raised without antibiotics. In cooperation with the public and private sectors, educational institutes and hospitals in the area, life quality of people in those communities have been improved through food safety knowledge development, joint food safety project implementation, and employee health promotion through various projects carried out both at the operating locations and with communities. Implemented projects include promotion of agricultural farming which is safe, hygienic and chemical free in order to guarantee safety for consumers in each community.

SDGs 12: Responsible Consumption and Production

Betagro and its subsidiaries have jointly created responsible production, promoted wise use of resources and the environment with minimum waste. At the same time, the Company's business locations are monitored and improved to ensure responsible production which causes minimum impact on environment and communities in terms of pollution, waste water and garbage. Improvement and actions to reduce greenhouse gases through the Carbon Dioxide Reduction and Assessment Project have also been implemented. Other projects include Solar Rooftop using solar energy instead of

electricity, plastic waste recycling and use of various residues for soil improvement.



SDGs 17: Partnerships for the Goals

Betagro and its subsidiaries have jointly built networks and boosted the cooperation between various parties with similar objectives and beliefs. The focus is on helping all stakeholders to achieve a better quality of life by using higher quality and safer food at fair prices in their businesses. This cooperation is built among community networks, government units, educational institutes and the private sector in order to drive towards sustainable development goals.



3.2 Management of Impact on Stakeholders in the Business Value Chain

3.2.1 Business Value Chain

Betagro and its subsidiaries operate agro-industrial and food businesses with high quality and safety, covering all products including animal feed production, animal medical supplies, animal breeding production and development, animal farms, meat processing, and food production, to the management of distribution channels, domestic and international distribution, and international investment. Priority is given to stakeholders in the entire business value chain from

- (1) Research and development process
- (2) Procurement
- (3) Production and quality control processes
- (4) Raw material procurement and management
- (5) Sales and marketing
- (6) After-sales service

1 Research and Development Process

- Betagro's Science Center was founded on 30 March 2006 as a central location for research, development and laboratory as well as for investigation of products in Betagro's and its subsidiaries' production chain. Located at Thailand Science Park (TSP), the Center aims at gaining cooperation between the private and public sectors in order to develop technology and science work which in turn will support and uplift Thailand's technology and science development.
- Emphasis is on the ability to examine and control quality and safety of the entire food chain production process to ensure consumers' safety and leverage business competitiveness for the Company's sustainable growth.
- Customers' businesses are developed for sustainable growth by combining experts' knowledge with experiences and applying them to comprehensive agricultural industry products and services. The purposes are to increase the husbandry efficiency of all types of economic animals and to manufacture products according to consumers' and business alliances' requirements for future domestic and international market growth.
- Betagro's Food Innovation Center (FIC) was set up to drive product and innovation development in line with consumers' needs and to help create business added values for food industry operators.

2 Procurement

- Sustainable procurement policy was set and its practice communicated to partners. At the same time, partners were selected based on their adherence to sustainable practice in the entire supply chain through the assessment of their labor, human rights, community and environment management.



- The process to investigate food sources and safety food was put in place, and procurement of raw materials including feed grains and other raw materials from local partners was encouraged.

3 Production Process and Quality Control

Attention is given to every production process to ensure high quality and safety of all Betagro's products. Based on food safety international standards, Betagro Quality Management system (BQM) strictly monitors and controls all the processes in the entire food chain, 24 hours every day, covering five major components: food safety, food quality, animal welfare, service

excellence and corporate social responsibility. Betagro Group's quality management policy provides support for all food quality and safety activities while its animal welfare management policy promotes animal welfare throughout the entire production chain and increases the standard animal raising level and fair animal treatment. Activities cover every production step from livestock production to meat processing based on the Five Freedoms principles: freedom from hunger; freedom from physical discomfort; freedom from pain, injuries and diseases; freedom from fear and suffering; and freedom to express animals' natural behaviors. In addition, studies and development of animal husbandry systems to achieve good welfare principles are conducted. Examples include the procurement and quality enhancement suitable for each type of animals, the promotion of animals' natural behavior expression, stress reduction and promotion of necessary development for growth. In addition, expectant pigs are raised in groups so that they can move freely, reduce stress, have a social life and express their natural behaviors while laying hens are raised in a cage-free manner. The results of all these enable people and society to have a better life from high quality and safe food at fair prices as these are essential factors for life and the foundation for sustainable development. Betagro has also joined World Animal Protection to improve the welfare of pig and chicken raising.



4 Raw Material Procurement and Management

- Betagro and its subsidiaries pay attention to raw material procurement and management and product storage as well as quality and on-time product delivery. Our focus is on procuring and managing the quantity of raw materials in line with its production plan, and managing product storage at appropriate locations in order to maintain product quality. Additionally, quality product delivery process is utilized and punctual product delivery is emphasized.

5 Selling and Marketing

- Betagro and its subsidiaries want to help people and communities to have a better life through food with higher quality and safety at fair prices, and to uplift the food industry and build sustainable food and economic stability for everyone's sustainable life. The Group operates agro-industrial and food businesses with high quality and safety covering all products ranging from animal feed production, animal medical supplies, animal breeding production and development, animal farms, meat processing, food production to the management of distribution channels, domestic and international distribution, and international investment. At the same time, Betagro and its subsidiaries give priority to building and maintaining good relationships with distributors and customers. Emphasis is on punctual delivery of products with high standards at fair prices to consumers and dissemination of accurate information and knowledge.

6 After-Sales Service

- Betagro is the first company in Thailand's food and livestock industry to develop a food safety technology called "Betagro e-Traceability" to trace back products. This technology is used for monitoring and examining food products in the production process including details of breeder farms, production process and delivery process.

It can make investigation from upstream to downstream to reassure consumers about Betagro's and its subsidiaries' sources of products in the entire product chain.

- Betagro supports and jointly develops business operations through its Customer Relationship Management Project (CRM). A service team combined with expert knowledge and experience enables partners' businesses to grow sustainably.
- Betagro Contact Center, an information service center for Betagro customers, is equipped with convenient contact channels enabling it to provide information on businesses to customers and the public in general. In addition, the Center is staffed with experienced personnel who efficiently receive complaints and manage information in response to the contact persons' interests and questions.



3.2.2 Analysis of Stakeholders in the Business Value Chain

Betagro and its subsidiaries have categorized both internal and external stakeholders related to the business value chain. In addition, the Group has taken these categories into consideration along with risk factors and related sustainability issues in order to set practical guidelines for responding to the stakeholders' expectations. Details are shown in the table below:

Stakeholders' Group	Stakeholders' Expectations	Response to Stakeholders' Expectations
Internal Stakeholders		
Shareholders	<ul style="list-style-type: none"> Financial results, profit and sustainable growth Business operation transparency and ability to be examined Fair and equal treatment to shareholders Disclosure of accurate, complete and up-to-the-minute information Good governance 	<ul style="list-style-type: none"> Disclosure of quarterly performance/annual general shareholders' meeting/annual report Corporate visit by the shareholders Communication/complaints through various channels on good governance Operating business with good governance, transparency and efficiency based on policies related to good governance and business ethics principles
Employees	<ul style="list-style-type: none"> Satisfaction with their work Work environment Stability Personnel development Engagement and motivation Equal treatment Appropriate compensation and other benefits including proper and fair welfare comparable to industry and not less than specified by the law 	<ul style="list-style-type: none"> Upgrade labor standard of the entire supply chain by setting Betagro Labor Standard in line with Thai labor laws, human rights and labor relations international standards. Betagro Labor Standard covers 5 principles: labor protection, welfare and benefits, labor relations, occupational health and safety, and management system Develop staff's potential and ability by using methods suitable for each group of staff so that all staff obtain appropriate development and can grow steadily with the Company Treat all staff equally and fairly as well as respect human rights Set appropriate and fair compensation, welfare and benefits, comparable to the same market and industry and not less than specified by the laws

Stakeholders' Group	Stakeholders' Expectations	Response to Stakeholders' Expectations
External Stakeholders		
Customers	<ul style="list-style-type: none"> • Products as per requirements • Products with quality and safety • Good after-sales service • Fair prices • Environment friendly operation • Confidentiality of customers' information 	<ul style="list-style-type: none"> • Pay attention to every production process to ensure consumers obtain products with high quality and safety. Betagro Quality Management system strictly examines, monitors and controls food safety throughout the entire food chain based on international standards, 24 hours every day. • Betagro Group's Food Innovation Center drives development and innovation of products in response to consumers' requirements and helps create business added value for food industry operators. • Betagro Agro Total Solution and Customer Relationship Management (CRM) provide assistance to customers by combining experts' knowledge and experience to jointly develop partners' and customers' businesses for future sustainable growth. • Food safety technology to trace back products called "Betagro e-Traceability" was developed. This technology helps monitor food products in the production process and build consumers' confidence in Betagro's and its subsidiaries' product sources. • Betagro Contact Center provides answers to general questions and receives requests from customers.
Partners	<ul style="list-style-type: none"> • Fair and equal procurement and employment • Sustainable added value creation and cooperation • Punctual payment of compensation • Prevention of fatal incidents causing business interruptions and impact on community 	<ul style="list-style-type: none"> • Procurement from partners who comply with the Code of Conduct • Procurement from suppliers with international standard certification • Selection of new suppliers based on sustainable criteria • Annual suppliers' risk assessment

Stakeholders' Group	Stakeholders' Expectations	Response to Stakeholders' Expectations
	<ul style="list-style-type: none"> Setting goals to create sustainable cooperation and business alliances Compliance with contracts, agreements and conditions related to procurement On-time payment 	<ul style="list-style-type: none"> Stability of local raw material procurement Preparation of appropriate and fair agreement forms for all counter parties On-time payment
Community	<ul style="list-style-type: none"> Responsibility for health, safety and occupational health Impact on environment, energy and natural resources conservation Support for activities, problem solving as well as community and social development 	<ul style="list-style-type: none"> Jointly create sustainability for society, community and environment. Guidelines for practice include responsibilities for society and stakeholders as specified by the law, not creating impact and being a part of community development to attain sustainable community in the future. Betagro and its subsidiaries aim at helping community to have occupations and be able to take care of themselves sustainably. The Group applies its business knowledge to help develop society and promotes businesses in the supply chain. This benefits and strengthens society and community, and enables people to have a good life. Under the Holistic Area Based Community Development (HAB), communities must be strong in the following 5 areas: economy, health, environment, society and education, and the work has been done through cooperation with the public and private sectors, local administration and educational institutes. Results will be extended to a wider scope.

Stakeholders' Group	Stakeholders' Expectations	Response to Stakeholders' Expectations
Government units	<ul style="list-style-type: none"> Compliance with laws, regulations and requirements 	<ul style="list-style-type: none"> Betagro and its subsidiaries continually monitor the announcements of new laws and related practices to ensure compliance with the various laws and requirements accurately. All units in the entire production system receive international standard certification from the government units and independent organizations. The certification covers farms to processing plants which are in line with government units' regulations and customers' requirements. This is to ensure that Betagro's and its subsidiaries' products are of high quality and safety. Examples of the certification include GMP, HACCP, GAP, BRC, IFS, Genesis and RWA.

3.3 Sustainability Management in Environmental Dimension

3.3.1 Environmental Policy and Practice

Betagro and its subsidiaries are committed to operating businesses with care and environmental consideration. This commitment applies to all business groups ensuring that all operation steps maximize the use of resources and minimize impact on environment. Impact assessment is conducted starting from the operating system design and production steps to related pollution treatment and elimination. At the same time, the Company helps develop its staff and the surrounding communities. It also realizes the importance of compliance with the policy and practice on environment; thus, it operates business according to the related laws, regulations and international standards such as OHSAS 18001/ISO 45001, ISO 14001 and ISO 50001 in order to create sustainable environment. Details are as follows:

- 1 **Energy Management:** Betagro and its subsidiaries have set energy management policy and plan in particular to promote and drive the most efficient use of energy. All units of Betagro and its subsidiaries fully participate in and support energy management.
- 2 **Climate Change:** Betagro and its subsidiaries have specified guidelines in greenhouse gas emission management. Under these guidelines in the overall value chain, database is set up, greenhouse gas

emissions are assessed and guidelines for greenhouse gas emission reduction are specified.

- 3 **Air Quality Control:** Betagro and its subsidiaries have set an air quality management plan for the areas which may be affected in order to continually control air quality and minimize the impact from the release of air pollution based on the specified standard criteria.
- 4 **Water Management:** Actions based on the 5Rs measures (Rethink, Reduce, Repair, Reuse and Recycle) have been taken to ensure that various processes utilize water resources most wisely and efficiently.
- 5 **Waste Water Discharge Control:** Betagro and its subsidiaries have set waste water management plan. Under this plan, an appropriate standard waste water treatment system has been installed with efficient waste water control to ensure that the quality of water released from the system complies with the specified standard criteria. In addition, waste water quality continues to be monitored and assessed before it is released outside.

3.3.2 Environmental Performance

Betagro has managed environment matters which are important to its business operation as mentioned above in compliance

with international regulations, standards and principles. The results reflect its ability to utilize resources wisely and help reduce environmental impact.

The Company has also implemented many initiative projects to achieve its long-term sustainability goal in reducing water and energy consumption, decreasing waste production and greenhouse gas emission, as well as reusing and recycling where possible. Examples include the collection of hard waste like droppings, bones and leftovers for use in organic fertilizer production, the installation of waste water treatment equipment at the Company's livestock locations and processing plants. With these measures, Betagro is confident that no waste water in violation of the enforcing laws is released and waste water is reused as much as possible. Besides, at its pig farms animal feed ingredients are adjusted with additional probiotics to improve pigs' food absorption which helps reduce greenhouse gas emissions and odor. In addition, Betagro has utilized more alternative energy by installing a solar energy system at its various locations resulting in cost savings and reduction in carbon dioxide emissions. Details of performance based on the above-mentioned environmental projects are shown below:

1 Energy Management: Betagro and its subsidiaries have continued to conserve energy in order to use energy wisely and efficiently. In 2022, the Company could reduce the use of electricity and heat by over 30 million megajoules as a result of various project implementation. These projects included the continued maintenance of machinery and equipment according to the operating plan, the steam boiler efficiency improvement project, the cooling system efficiency improvement project and the project to improve the efficiency of animal feed production process. In 2026, the goal of Betagro and its subsidiaries is to drive towards energy reduction per production unit by 5 percent compared with the base year (2022) and is in the process of increasing the use of renewable energy such as converting fossil fuels to biomass and increasing the efficiency of biogas systems.

2 Climate Change: Betagro and its subsidiaries conducted assessments on Carbon Footprint for Organization (CFO) in the protein, animal feed and pet food businesses as well as Carbon Footprint of Product (CFP) in the chicken products and animal feed products. The assessments have been carried out in cooperation with the Greenhouse Gas Management Organization (a public company) since 2019. In 2022, Betagro and its subsidiaries reduced the greenhouse gas emissions by 6.3% compared with 2020 or 2,300 TonCo2eq was



Solar Farm Project



Solar Rooftop Project at Feed Mill

reduced. The Company and its subsidiaries have utilized solar energy technology instead of electricity in more than 35 operating locations around the country since 2020. Furthermore, the Company and its subsidiaries also assessed the risks and opportunities associated with climate change following the recommendation of Task Force on Climate-related Financial Disclosures (TCFD) to manage and deal with climate change. In 2023, the Company and its subsidiaries target to reduce the greenhouse gas emissions by 2.5% compared with the base year (2022). Details of the carbon emission assessments conducted between 2019 and 2022 are as follows:



1. Carbon Footprint for Organization (CFO) which was already assessed and audited:

1.1 Protein Business - 6 locations: Better Foods Company Limited (“BF”), B. Foods Product International Company Limited (“BFI”), Betagro Agro Industry Company Limited (Phatthalung chicken processing plant) (“BAI-PPPP”), Ajinomoto Betagro Frozen Foods (Thailand) Company Limited (“TAB”), Betagro Agro Industry Company Limited (Lopburi pig processing plant) (“BAI-LRSS”), and Better Foods Company Limited (Kabinburi egg collecting center) (“BF-KB”)

Business	CFO Emission (TonCo2eq / year)	Verified by	Certified by	Certificate approved
BF	32,975	Excellence Center of Eco-Energy Chemical Engineering TU	Thailand Greenhouse Gas Management Organization (TGO)	2019
BFI	127,814	Excellence Center of Eco-Energy Chemical Engineering TU	Thailand Greenhouse Gas Management Organization (TGO)	2019
BAI-PPPP	11,281	Excellence Center of Eco-Energy Chemical Engineering TU	Thailand Greenhouse Gas Management Organization (TGO)	2021
TAB	24,721	Excellence Center of Eco-Energy Chemical Engineering TU	Thailand Greenhouse Gas Management Organization (TGO)	2021
BFI	123,935	ECEE Co.,ltd	Thailand Greenhouse Gas Management Organization (TGO)	2022
BAI-LRSS	12,718	ECEE Co.,ltd	Thailand Greenhouse Gas Management Organization (TGO)	2022
BF-KB	291	ECEE Co.,ltd	Thailand Greenhouse Gas Management Organization (TGO)	2022

1.2 Animal Feed Business - 3 locations: Betagro Public Company Limited (Lopburi Plant 4) (“BTG-LR4”), Betagro Public Company Limited (Songkhla Plant) (“BTG-SK”), and Betagro Public Company Limited (Lopburi Plant 1, 2, 3) (“BTG-LR1, 2, 3”)

Business	CFO Emission (TonCo2eq / year)	Verified by	Certified by	Certificate approved
BTG-LR4	28,511	Excellence Center of Eco-Energy Chemical Engineering TU	Thailand Greenhouse Gas Management Organization (TGO)	2020
BTG-SK	8,040	Excellence Center of Eco-Energy Chemical Engineering TU	Thailand Greenhouse Gas Management Organization (TGO)	2020
BTG- LR1,2,3	76,908	ECEE Co.,Ltd	Thailand Greenhouse Gas Management Organization (TGO)	2022
BTG-LR4	32,818	ECEE Co.,Ltd	Thailand Greenhouse Gas Management Organization (TGO)	2022

1.3 Pet Food Business - 1 location: Pet Focus Company Limited (“PF-LR”)

Business	CFO Emission (TonCo2eq / year)	Verified by	Certified by	Certificate approved
PF-LR	18,113	ECEE Co.,Ltd	Thailand Greenhouse Gas Management Organization (TGO)	2022

2. Carbon Footprint of Product (CFP)

In 2021, assessments and audits of 5 products were conducted: 1 kilogram of chicken fillet, 1 kilogram of boneless chicken breast without skin, 2-kg bag of Southern-formula fried chicken fillet, 10-kg bag of boneless chicken breast without skin steamed with Tandoori sauce, and 800-gram bag of charcoal grilled boneless chicken breast on skewers with Satay sauce. In 2022, we expanded assessments and audits to 5 animal feed products.

Business	Product	CFP Emission (kgCO ₂ eq)	Verified by	Certificate approved
BFI	1 kilogram of chicken fillet	1.54 ⁽¹⁾	Excellence Center of Eco-Energy Chemical Engineering TU	2021 ⁽⁴⁾
	1 kilogram of boneless chicken breast without skin	1.76	Excellence Center of Eco-Energy Chemical Engineering TU	2021
	2-kg bag of Southern-formula fried chicken fillet	5.81	Excellence Center of Eco-Energy Chemical Engineering TU	2021
	10-kg bag of boneless chicken breast without skin steamed with Tandoori sauce	36.7	Excellence Center of Eco-Energy Chemical Engineering TU	2021
	800-gram bag of charcoal grilled boneless chicken breast on skewers with Satay sauce	3.76	Excellence Center of Eco-Energy Chemical Engineering TU	2021
BTG-LR1	Layer feed – Number L	0.605 ⁽²⁾	ECEE Co.,ltd	2022
	Pig feed – Number 301I	0.731 ⁽³⁾	ECEE Co.,ltd	2022
	Pig feed – Number 304I	0.688	ECEE Co.,ltd	2022
	Pig feed – Number 905I	0.586	ECEE Co.,ltd	2022
BTG-LR4	Breeder chicken feed – Formula L	0.670	ECEE Co.,ltd	2022

Remarks:

(1) The standard value of Carbon Footprint for freshly cut chicken products is 4.8449 kgCO₂eq/kg (processing of live broilers from broiler farms into chicken for consumption through the killing and dissecting at a high standard slaughterhouse; LCIA method IPCC 2013 GWP 100a V1.03) published by Thailand Greenhouse Gas Management Organization (Public Organization) in March 2021.

(2) The standard value of Carbon Footprint for layer feed products is 0.7083 kgCO₂eq/kg (ready-to-eat feed products for layers mainly used for raising layers to produce eggs; LCIA method IPCC 2013 GWP 100a V1.03) published by Thailand Greenhouse Gas Management Organization (Public Organization) in July 2021.

(3) The standard value of Carbon Footprint for pig feed products is 0.8659 kgCO₂eq/kg (ready-to-eat feed products for pigs mainly used to raise pigs for meat sales which takes about 5 months to raise or reach a weight of about 90-110 kg; LCIA method IPCC 2013 GWP 100a V1.03) published by Thailand Greenhouse Gas Management Organization (Public Organization) in July 2021.

(4) Carbon Footprint Certification of Product is valid for 3 years from the date of certification.

3. Documents Displaying Certification of Carbon Emission Assessments by Thailand Greenhouse Gas Management Organization (Public Organization)

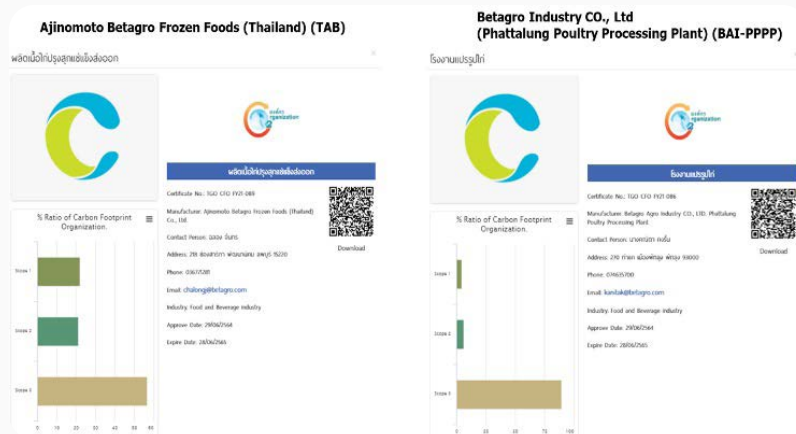
1. Carbon Footprint for Organization (CFO) – Protein Business

Year 2022

Year 2019



Year 2021



Better Foods Co., Ltd (Egg Packing Kabinburi)



2. Carbon Footprint for Organization (CFO) – Animal Feed Business

Year 2020



Year 2022



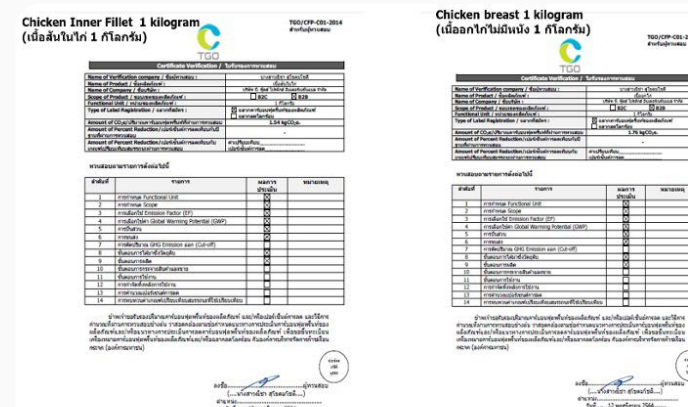
3. Carbon Footprint for Organization (CFO) – Pet Food Business

Year 2022



4. Carbon Footprint of Product (CFP)

Year 2021



Year 2022

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3 Air Quality Control: Betagro and its subsidiaries put priority on the management, control and reduction of released pollution such as Nitrogen Oxide (NOx) emission, Sulphur Dioxide (SOx) emission, Total Suspended Particulate (TSP) and Carbon Monoxide (CO), to be within the standard value specified by the laws. An air treatment system has been installed and maintained regularly, and the quality of air released from the chimneys continues to be examined in order to reduce impact on environment as well as staff's and surrounding communities' health.

4 Waste Water Management: Emphasis is on efficient water management through the 5Rs measures as follows:

- Rethink– build awareness in water saving
- Reduce – use water as necessary and reduce water used in production process
- Repair – investigate leakage in the system and pipes to reduce water loss
- Reuse – bring back used water for use again
- Recycle – bring back used water for quality improvement and reuse

As a result, in 2021 Betagro and its subsidiaries could reduce water loss in the production process and decrease up to 7 percent of water used per product unit compared with 2020. In addition, Betagro and its subsidiaries have set goals and plans for 2020 to 2030 to reduce water use per product unit by 20 percent compared with 2020 and increase water reuse and recycle by 10 percent of the total water withdrawal within 2025.

5 Waste Water Discharge Control: Betagro and its subsidiaries pay attention to waste water discharge management and maintenance of water source ecosystem. Therefore, a waste water treatment system is designed to suit each type of business in order to appropriately support waste water from the production process and treat waste water for quality standard specified by the laws.

6 Waste Treatment: In 2022, Betagro was able to reduce the proportion of waste disposed

of in landfill to total waste by 14 percent compared with 2020. Betagro managed its waste efficiently as 94 percent of its waste could be reused. The Company's waste management measures included waste reduction at the original sources, promotion of waste sorting by staff before disposing (waste that could be reused was separated from that of landfill). Other projects to improve and develop maximum reuse of waste were a project to replace animal feed raw materials with egg shell waste, Organic Waste to Organic Matter Project, and Green Packing Project.

Green Packing Project is a joint cooperation project to study and develop packing related technology for environment with SCGP Packaging Co., Ltd. Three projects which have already been implemented are:

- A project to reduce the thickness of plastic bags by using highly durable plastic pellet technology. As a result, 28 percent of plastic bag thickness could be reduced.
- A project to reduce the thickness of bottles for chemical group products by using highly durable plastic pellet technology. As a result, 22 percent of plastic weight could be reduced.
- A project to reduce the thickness of paper boxes by using Green Carton technology

In 2025, Betagro targets to reduce the occurrence of waste per product weight by 5% compared with 2022 and increase the proportion of waste utilization to more than 96%.

Furthermore, Betagro received several certificates related to ESG management, including 3R Awards from the Department of Industrial Works. The Company was also certified as a leading organization in managing greenhouse gases by Thailand Greenhouse Gas Management Organization (Public Organization). The Company also received many certificates in the environmental area as well as applied sustainable and labor standards in some business units. These certificates included ISO 14001:2015 Environmental

Management System; RSPO: Roundtable on Sustainable Palm Oil; CFO: Carbon Footprint of Organization; CFP: Carbon Footprint of Product; standard certification of Sedex members' trading ethics (SMETA) covering labor, hygiene and safety, environment and trading ethics; BSCI: The Business Social Compliance Initiative; TLS 8001: The Thai Labor Standards Certification Transition; and DNV-GL ProSustain Standard. Betagro was also certified in the area of good criteria and methods used in food production, danger and critical point analytical system for control.



Project 3R Awards



Leading Organization in Managing Greenhouse Gases

3.4 Sustainability Management in Social Dimension

3.4.1 Social Policy and Practice

With a strong belief that its business will grow sustainably only if community and society are simultaneously developed and grow together, Betagro and its subsidiaries therefore aim at growing with sustainability while at the same time developing its employees, community and society. It has strictly complied with the standards of social responsibility, related laws and regulations. The Company is also determined to improve its social work continually and review

its performance regularly in order to promote social equality, reduce differences, enable people to have good and sustainable life quality and co-existence. Details of policy and code of conduct in this area are as follows:

- Good governance:** Based on a strong belief in integrity, honesty, transparency, accuracy, clarity and compliance with the laws, any transaction with business related persons shall be carried out in an honest, straightforward way and shall be auditable. An employee shall not act on others' behalf nor receive all forms of bribes from people inside the Company, outside the Company, partners, customers or any related government or private units.
- Human rights:** Business is operated with consideration to human rights principles, fair treatment to all concerned, and respect for rights and freedom based on labor law standards and related requirements. No support is given to any action which may be considered violation of human rights. In addition, labor management standards are uplifted and effective management system is set up.
- Fair and Sustainable Business:** Betagro and its subsidiaries carry out businesses or work which comprise transactions between Betagro and its subsidiaries, external persons, partners or any juristic persons in Thailand and overseas in compliance with the laws, regulations, criteria or conditions specified by the government and the Company's policy. The transactions shall also be approved according to business authority strictly, straightforwardly and transparently, and they shall be auditable. In addition, business guidelines are transferred fairly and sustainably in the entire supply chain by specifying sustainable code of conduct to its product and service suppliers as well as its subsidiaries (Betagro Supplier Sustainability Code of Conduct). The purpose is to ensure that all activities are in line with the laws and the Company's policies and code of conduct.

4. **Relationships with Customers:** Betagro and its subsidiaries operate business with consideration to business ethics, fair competition, setting guidelines for advertising transparency, product quality display as well as clear, transparent and traceable services. The Company also continually conducts research and development of products which respond to consumers' needs.
5. **Community Participation and Development:** Through the Holistic Area Based Community Development, communities are strengthened in the following 5 areas: economy, health, environment, society and education. Besides, productivity management tool is used, and mechanism to drive work with communities and community leaders is created to build harmony and enable communities to truly depend on themselves. Betagro also creates awareness in the love of their hometown and knowledge transfer from one generation to another which will lead to sustainable and good communities and society.

In addition, Betagro and its subsidiaries take part in community development through core units such as Community Relations and Community Development Units while simultaneously taking care of Betagro's employees. Betagro and its subsidiaries also support activities of the Saitarn Foundation in order to promote social equality and reduce differences enabling people to have good and sustainable life quality and co-existence.

Outside the Organization

Community Relations

Betagro and its subsidiaries operate business with social and stakeholders' responsibilities while complying with the laws without creating negative impact and being a part of the community through the Community Relations Committees in the following 7 areas: north, northeast, central, east, south, Lopburi and Pakchong. In these areas, activities are carried

out and managed based on the principles of CSR or Corporate Social Responsibility, Department of Industrial Works.

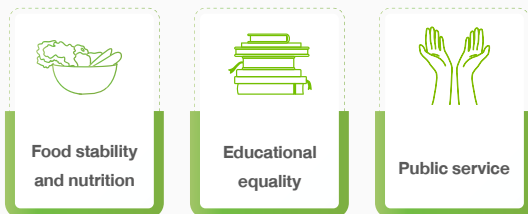
Community Development

Betagro and its subsidiaries have extended the concept of social responsibility to the Holistic Area-Based Community Development. Under this extended concept, each community is developed and strengthened in the following 5 areas: economy, health, hygiene, environment, society and education. The Productivity Management tool is used to create mechanism driving work with every community and expanding to other areas. The concept called the Chong Sarika Model has become a master plan for Betagro and its subsidiaries' community development to create communities which are strong and truly able to depend on themselves. Volunteering, love of their hometown, transfer of knowledge from one generation to another as well as creating good and sustainable community and society are also encouraged.

Saitarn Foundation

Saitarn Foundation was established on 1 March 1994 under the name of Betagro Saitarn Club with the joint intention of Betagro's and its subsidiaries' management and staff to help less fortunate children in our society. Later, a foundation was set up with the name change to Betagro Saitarn Foundation on 14 February 1996. On 2 September 1996, the name was changed again to Saitarn Foundation with the objectives of helping and alleviating sufferings of disaster victims as well as offering scholarships to students, persons or organizations which lack funds. In addition, the Foundation promotes and supports those who do good and carry out other activities that will benefit the public. Besides cooperating with other charity organizations, Betagro and its subsidiaries, management and staff still continue to participate in and support Saitarn Foundation's activities.

Goals of Saitam Foundation



Inside the Organization

Personnel Care

Betagro and its subsidiaries are committed to taking care of all staff and ensuring that they are treated appropriately according to the law and in line with the requirements, practices, international standards and customers' expectations through good labor relations. With this commitment, Betagro Labor Standard was set up for each location operated under Betagro and its subsidiaries as well as Betagro's partners and suppliers' business locations to comply with. The objectives of this Labor Standard are to uplift the labor standard of the entire supply chain so that all personnel involved with production processes are well taken care of, happy and have good work life quality. Betagro Labor Standard was set in line with Thai laws, international standards on human rights and labor relations which comprise 5 principles: labor protection, welfare and benefits, labor relations, occupational health and safety, and management system.

BLS Key Principles



Betagro Labor Standard	Requirement
Labor protection	<ul style="list-style-type: none"> No child labor No forced labor No discrimination Humane practice Appropriate working hours Wages comply with the law
Welfare and benefits	<ul style="list-style-type: none"> Welfare and benefits comply with the law Appropriate working environment
Labor relations	<ul style="list-style-type: none"> Labor relations responsibility Effective communication Employee participation Employee opinion and feedback
Occupational health and safety	<ul style="list-style-type: none"> Safe workplace No impact on health No impact on environment and community
Management System	<ul style="list-style-type: none"> Efficient labor management system Supporting partners and suppliers to implement Betagro Labor Standard

At the same time, priority is given to the development of staff's potential and ability as staff are the key factors driving the organization to its set goals. Various care and development methods are used for each group of personnel to ensure they receive appropriate development and can grow steadily along with the Company. This development includes foundation courses for all levels of staff, courses for supervisors, management and top management as well as digital development and people transformation courses to draw staff's potential in order to move towards a High Performing Organization

3.4.2 Social Performance

Outside the Organization

Community Relations and Development

1. Economic Dimension

Establishment of Village Development Bank

A Village Development Bank was initially set up at Chong Sarika Sub-district, Phatthana Nikhom District, Lopburi Province, jointly with other parties such as Bank for Agriculture and Agricultural Cooperatives, District Agriculture Office and community representatives. The purpose was to establish a mechanism that drives communities to have a capital source to support their occupations without having to borrow money from external, non-bank systems. From 2008 until the present, a total of 12 Village Development Banks have been set up

with more than 1,900 members (equivalent to 21 percent of the total sub-district population)



2. Health

Quality Kitchen for School Life Quality

This Quality Kitchen Project aims at elevating nutrition and

hygiene standards in schools on a continued and concrete basis. Established since 2008, the Project has provided schools with knowledge, advice and financial support for school kitchen improvement as well as organized activities to cultivate awareness among teachers, students and all involved.

10-Package Good Health Project

The project was implemented jointly with health units and network partners to apply the Department of Health's 10 Packages for staff's health care. Consideration was given to the way of life, all factors impacting health and impact on staff's family members and society. The project was initially launched at Betagro's and its subsidiaries' business locations with a lot of staff as a model for strengthening the potential of health promotion and disease prevention in business locations on a systematic and continual basis.

Improvement of Disabled-Less Privileged Homes

This activity was organized and participated by Betagro's staff to improve the homes of the disabled and less privileged in Chong Sarika Sub-district, Phatthana Nikhom District, Lopburi Province. The work which aimed at reducing social differences and promoting better quality of life was implemented in cooperation with community leaders such as the Provincial Administrative Organization, the headman and the village headman, the Sub-district Health Promotion Hospital and the Village Committee.



COVID-Free Setting Model District Project

The spread of COVID-19 in Lopburi Province resulted in higher number of patients and a lot of patients waiting for treatment. Hence, Lopburi's Communicable Disease Committee expanded its work into communities and created an integrated cooperation in setting up Community Isolation Centers with

health units, local community governing units, Betagro and its subsidiaries. A total of 70 Community Isolation Centers were set up in 10 districts with one field hospital in the Betagro's area and another hospital jointly set up with the province. The objectives were to separate the infected from the rest of the community as quickly as possible so that the number of patients at the major and field hospitals could be reduced and the load on the health system and medical personnel could be lightened.



Betagro #recover19 Project

Betagro provided food and water to medical personnel during the COVID19 pandemic.

3. Environment: Promotion of Environmental Conservation Activities

Jungle Fowl Conservation and Breeding for Sustainable Use Project

In 2019, the Zoological Park Organization of Thailand initiated a Jungle Fowl Conservation and Breeding for Sustainable Use Project in which Betagro and its subsidiaries along with other parties including the Department of Livestock Development and Kasetsart University participated. The project's objective was to conserve Thailand's jungle fowl breed, and this was done by collecting jungle fowl breeders before breeding and multiplying them since 2020. Currently, the heredity of the jungle fowls under this project is examined by Kasetsart University to ensure its pure breed. In addition, the Zoological Park Organization of Thailand has been breeding them for release into their natural original area.

Tree for Life Community Forestation Project

The objectives of this project were to create awareness in environmental preservation, increase green areas and provide shade for the community. In addition, the project launched in 2017 when Betagro and its subsidiaries celebrated the 50th anniversary would become a food source, a tourist attraction and a center for cooperation from all parties in the community. With the cooperation of Chong Sarika Community, government and local units, schools, Lopburi Agricultural College and

temples, 13,000 trees were initially planted in 13 villages of Chong Sarika Community. At present, 10,000 trees from the project create shades on 4 major roads.

Khung BangKhachao Conservation and Development Project

Betagro and its subsidiaries in cooperation with government units, private companies and community developed the area of Khung BangKhachao in Phra Pradaeng District, Samut Prakan Province. The objectives were to create sustainable agriculture, increase family income and build awareness in the love of hometown. Under the 2018-2022 development plan, Betagro and its subsidiaries promoted the planting of local fruit trees including mangoes and rose apples in over 170 responsible areas.



4. Education: Learning Promotion

Productivity Increase for Main Crops (Rice, Tapioca, Sugar Cane, and Vegetables)

In 2011, Betagro and its subsidiaries jointly with the District Agriculture Office, Land Development Office and university networks implemented a Productivity Increase Project for economic crops such as rice, cassava, sugar canes and vegetables to increase opportunities for accessing accurate agricultural knowledge, encourage farmers to plant crops based on academic principles and learn how to use resources wisely. The Project also aimed at extending this knowledge and concept to other groups of farmers.



1 Plant 1 School Project

The 1 Plant 1 School Project's objective was to maintain knowledge in the community through schools as a foundation for knowledge coupled with ethics. Under this project, schools were improved so that they could provide instruction at their full potential and students were developed and supported with English teachers so that they could further their knowledge and return to help their community. For implementation, each of Betagro's and its subsidiaries' plants helped develop one school in Chong Sarika Sub-district to motivate the core units and persons involved with efficient school development in the 3 areas: learning, community development participation, sanitation and environment.



Saitarn Foundation

Dairy Farming Learning and Knowledge Transfer Center

In 2016, Chalermphrakiat Sakon Nakhon School located in Sakon Nakhon Province began teaching dairy farming in order to create a new generation of dairy farmers with basic knowledge in dairy farming. This knowledge included management of animal feed plants, dairy cattle management, dairy processing and small businesses. In 2018, Saitarn Foundation jointly with the school presented scholarships to the participating students in addition to organizing various courses and supporting the school with a small water system.

Chiang Rai Native Chicken Restoration and Population Increase Project

In 2020, Saitarn Foundation in cooperation with Chiang Rai's Department of Livestock Development, Sangwanwit 8 Border Patrol Police School and Kasetsart University launched a Native Chicken Restoration and Population Increase Project in Chiang Rai Province. The purposes were to create food stability and a major protein source for students and surrounding communities. Later in 2021, the Foundation helped improve the school's chicken house, provided the school with chicken raising equipment and donated an internet receiver to increase the students' education channel. It also supported the school with scholarships and supplies for chicken raising activities including a lawn mower, solar cells and an incubator.

Naresuan Fighting Cock (White Tail Yellow Cock) Conservation Project

In 2020, Saitarn Foundation joined Phitsanulok Panyanukun School (a school for children with learning disabilities), Phitsanulok's Department of Livestock Development and Kasetsart University in launching the native White Tail Yellow Cock Conservation Project in order to promote students' development. The support included the school's cock house improvement to ensure it's suitable for raising and breeding them. At the same time, scholarships were presented to the participating students and the costs for two assistant teachers who helped with the cock raising activities were paid for. Currently, the project is in the process of assessing the development of the participating students and developing cock raising activities into a curriculum. It is hoped that the native White Tail Yellow Cock Conservation Project will be one of the activities that helps promote student's development and create future jobs.

Wake up Education

Saitarn Foundation in cooperation with Learn Education Co., Ltd. and its Blended Learning Solution mobilized funds for education in order to donate 5 learning tools that would help increase students' skills and potential to students, teachers and schools around the country lacking access to equal and quality education. The learning tools were delivered

to Thongchai Jaidee Trai Witaed Suksa School in Loei Province, Bannongpho School and Betagro Wittaya School in Nakhon Ratchasima Province.

Good Children Scholarships

Saitarn Foundation has offered scholarships to students with good behavior but lacking opportunities for over 10 years since 2012. The target is on students who participate in school's activities and projects or in their own community in order to build youth's public awareness and educational equality in Thailand.





Inside the Organization

Labor Performance

Betagro Labor Standard (BLS) was set in line with Thai law, international standards on human rights and labor relations so as to uplift the labor standard of every company in the Betagro Group into one high standard. The announcement to start implementing in all companies was issued in April 2015 and extended to the supply chain in November 2015. In 2017, Betagro and its subsidiaries implemented the Your

Voice, We Care Project jointly with Issara Institute to increase channels for hearing feedback and opinions on labor for long-term labor development and problem solving with the following 5 principles:



- **Labor Protection:** The goal of Betagro's and its subsidiaries' labor protection is to take care of all employees with honor and respect for human dignity. Every employee is protected from hazardous work which risks impacting his or her health, or unfair treatment such as the use of child or forced labor, discrimination and inappropriate type of work or period of time. Staff are treated humanely with appropriate working hours and fair compensation.
- **Welfare and Benefits:** Betagro and its subsidiaries provide daily necessities for all staff. They receive health protection and are able to deal with their personal activities when necessary. Besides, appropriate environmental welfare including cleanliness, safety and a suitable area size compared with the number of staff is taken into consideration. Betagro and its subsidiaries have specified 2 parts of welfare and benefit principles: welfare and benefits that comply with the laws and appropriate work environment management.
- **Labor Relations:** Betagro and its subsidiaries have specified labor relations responsible persons for each location for the benefits of staff. These persons work with the Welfare Committee to oversee staff's living conditions and give advice on their various issues.
- **Safety and Occupational Health:** Betagro and its subsidiaries comply with the safety laws and ISO45001: Occupational Health and Safety Management Standard

to ensure work safety for all staff and related persons who come to work at the Company's business locations. Actions taken include examining, improving and monitoring operation to ensure safety, and specifying accident prevention measures and continually promoting work safety awareness.

- **Management System:** Betagro and its subsidiaries set up a management system which aims to create labor standards by seriously and continually supporting the implementation of labor standard development and improvement. The objectives of this support are to uplift the labor standard level of the entire supply chain and to drive partners and suppliers to accept and apply Betagro's labor standards at their own business locations.

Human Resources Development Performance

Betagro and its subsidiaries prioritize human resources development. Under the human resources development policy, staff's growth potential in their career path is promoted through the development of knowledge and skills required by each job level. The development framework includes management skills and specific technical knowledge through mixed learning methods geared at actual practice, learning from the advice of coaches and mentors, as well as learning from training as follows:

- **Leadership Program:** This program helps develop staff's management knowledge and skills and enable them to work efficiently with others towards Betagro's goals.
- **Functional Program:** Under this program, staff's knowledge and skills required for their specific career are developed enabling them to work towards Betagro's goals and grow in their career path.
- **Talent and Succession Program:** This program is designed to develop staff with high potential and successors to be able to drive business and create competitiveness required for corporate changes.

4. Management Discussion and Analysis (MD&A)

4.1 Performance and Financial Position

Financial Highlights

Items	2021	2022	Change	
	THB mm	THB mm	THB mm	%
Total Income	86,743.7	113,876.8	27,133.1	31.3
Gross Profit	11,163.7	21,731.3	10,567.6	94.7
Earnings before Interest, Taxes, Depreciation and Amortization ⁽¹⁾ (EBITDA)	5,689.5	14,515.7	8,826.2	155.1
Net Profit	1,010.5	7,937.7	6,927.2	685.5

Remark:

(1) Calculated as operating profit (loss) adding back depreciation and amortization

Total Income

The Company's total income was at THB113,876.8 million in 2022, an increase of 31.3% from THB86,743.7 million in 2021. Total income growth was attributable to the growth of revenue from sale of goods and rendering of services from all business groups (except other businesses) as follows: (1) the growth in revenue from sale of goods and rendering of services from agro business was mainly due to an increase in prices of feed products following the rising cost of raw materials; (2) the growth in revenue from sales of good and rendering of services from food and protein business was mainly attributable to the rise in prices of pork, chicken, egg, processed food and processed meat products, following domestic and export market prices as well as sales volume growth from increasing demand; (3) the growth in revenue from sale of goods and rendering services from international business was mainly due to an increase in prices of feed products following the rising cost of raw materials as well as an increase in livestock prices in Cambodia and Laos; and (4) the growth in revenue from sale of goods and rendering of services from pet business was mainly due to an increase in sales volume and selling prices of pet food that corresponded with an increase in production volume and revenue share from the sales of higher-priced products following the Company's business strategy to shift towards higher profitability products.

Profitability Ratio

Financial Ratio	2021	2022
Gross Profit Margin (%) ⁽¹⁾	13.1	19.3
EBITDA Margin (%) ⁽²⁾	6.6	12.7
Net Profit Margin (%) ⁽³⁾	1.2	7.0

Remark:

(1) Calculated as gross profit divided by sum of revenue from sale of goods and revenue from rendering of services

(2) Calculated as EBITDA divided by total income

(3) Calculated as profit for the period divided by total income

Gross Profit and Gross Profit Margin

The Company's gross profit was at THB21,731.3 million in 2022, an increase of 94.7% from THB11,163.7 million in 2021 and the gross profit margin was at 19.3% in 2022, up from 13.1% in 2021. The increase in gross profit and gross profit margin was primarily due to an increase in selling prices of products in food and protein business, including pork, chicken, egg, processed food and processed meat products following increases in their market prices. In addition, an increase in gross profit was also due to an increase in revenue from sales of goods and rendering of services which was partly due to an increase in sales volume.

EBITDA and EBITDA Margin

The Company's EBITDA was at THB14,515.7 million in 2022, an increase of 155.1% from THB5,689.5 million in 2021 and EBITDA margin was at 12.7% in 2022, up from 6.6% in 2021. The increase in EBITDA and EBITDA margin was attributable to (1) an increase in gross profit and gross profit margin of the food and protein business following an increase in selling prices of products, including pork, chicken, egg, processed food and processed meat products and (2) a decrease in selling and administrative expenses as a proportion of total income due to the benefits from economy of scale following an increase in sales volume.

Net Profit and Net Profit Margin

The Company's net profit was at THB7,937.7 million in 2022, an increase of 685.5% from THB1,010.5 million in 2021 and the net profit margin was at 7.0% in 2022, up from 1.2% in 2021. The increase in profit for the period and net profit margin was mainly attributable to an increase in total income and gross profit margin as well as more efficient cost control due to the benefits from economy of scale following an increase in sales volume as mentioned earlier

Financial Position

Items	As of December 31, 2021	As of December 31, 2022	Change	
	THB mm	THB mm	THB mm	%
Total Assets	57,475.1	65,234.2	7,759.1	13.5
Total Liabilities	41,952.9	36,569.8	(5,383.1)	(12.8)
Total Shareholders' Equity	15,522.2	28,664.4	13,142.2	84.7

Total Assets

As at 31 December 2022, the Company's total assets were at THB65,234.2 million. Total assets include cash and cash equivalents, receivables, inventories, biological assets, land, building and equipment and right-of-use assets. Total assets increased from

THB57,475.1 million as at 31 December 2021 due to an increase in (1) bank deposit following capital increase from Initial Public Offering and (2) biological assets, in line with an increase in the number of livestock following the production capacity expansion together with an increase in the cost of raising livestock following the rise in costs of raw materials.

Total Liabilities

As at 31 December 2022, the Company's total liabilities were at THB36,569.8 million. Total liabilities mainly comprise of bank overdrafts and short-term loans from financial institutions, trade accounts payable, lease liabilities and debentures. Total liabilities decreased from THB41,952.9 million as at 31 December 2021, primarily due to debt repayment and redemption of matured debentures.

Total Shareholders' Equity

As at 31 December 2022, the Company's total shareholders' equity was at THB28,664.4 million. Total shareholders' equity increased from THB15,522.2 million as at 31 December 2022, primarily due to the Initial Public Offering (IPO) which was completed in October 2022 as well as an increase in net profit for the year ended 2022.

Total Liabilities to Equity Ratio and Interest Bearing Debt-to-Equity Ratio

Financial Ratio	As of December 31, 2021	As of December 31, 2022
Total Liabilities to Equity Ratio (times) ⁽¹⁾	2.70	1.28
Interest Bearing Debt-to-Equity Ratio (times) ⁽²⁾	1.97	0.83

Remark:

(1) Calculated as total liabilities divided by total shareholders' equity

(2) Calculated as interest bearing debt divided by total shareholders' equity

Total liabilities to equity ratio decreased from 2.70x as at 31 December 2021 to 1.28x as at 31 December 2022, primarily due to a decrease in total liabilities and an increase in total shareholders' equity. Meanwhile, interest bearing debt-to-equity ratio decreased from 1.97x as at 31 December 2021 to 0.83x as at 31 December 2022, primarily due to a decrease in interest bearing debt and an increase in total shareholders' equity as mentioned earlier.

4.2 Important Factors Affecting Financial Position and Performance of the Company

The Company's performance may be affected by many factors, some of which are beyond the Company's control and may affect the Company's performance in the future. For example, the spread of COVID-19 has affected the global economy whereas prices of raw materials used for animal feed production remain high which affects the production cost. Moreover, an epidemic of animal diseases may affect production, demand and product prices.

The Company has policies and strategies to systematically manage risks that affect operations to an acceptable level. However, there are other factors besides those listed in this section which may significantly affect the Company's performance.

4.3 Key Financial Information and Ratios

4.3.1 Consolidated Statements of Financial Position

The following table sets forth our historical statements of financial position as of December 31, 2020, 2021 and 2022.

	As of December 31,					
	2020		2021		2022	
	THB mm	%	THB mm	%	THB mm	%
Assets						
Current assets						
Cash and cash equivalents	602.6	1.2	541.7	0.9	5,940.3	9.1
Trade accounts receivable	4,760.0	9.4	5,365.1	9.3	5,968.6	9.1
Other receivables	662.7	1.3	664.1	1.3	683.9	1.0
Short-term loans	—	—	—	—	—	—
Inventories	11,000.8	21.9	14,111.1	24.6	14,711.5	22.6
Current biological assets	6,137.9	12.2	7,739.8	13.5	9,445.9	14.5
Other current assets	45.5	0.1	34.9	0.1	31.0	0.1
Total current assets	23,209.5	46.1	28,456.7	49.7	36,781.2	56.4
Non-current assets						
Investments in associates	384.9	0.8	351.2	0.5	254.8	0.4
Investments in joint ventures	1,066.0	2.1	1,099.3	1.9	1,089.7	1.7

	As of December 31,					
	2020		2021		2022	
	THB mm	%	THB mm	%	THB mm	%
Other long-term investments	3.3	0.0	1.9	0.0	1.9	0.0
Investment properties	—	—	—	—	—	—
Property, plant and equipment	19,241.4	38.2	18,809.1	32.7	18,944.9	29.0
Leasehold rights	—	—	—	—	—	—
Right-of-use assets	2,103.8	4.2	4,104.4	7.1	4,427.5	6.8
Non-current biological assets	1,143.3	2.3	1,293.9	2.3	1,630.2	2.4
Goodwill	40.2	0.1	40.2	0.1	35.6	0.1
Intangible assets	1,025.2	2.0	914.9	1.6	846.2	1.3
Deferred tax assets	1,907.2	3.8	2,078.2	3.6	975.5	1.5
Other non-current assets	217.3	0.4	325.3	0.5	246.7	0.4
Total non-current assets	27,132.6	53.9	29,018.4	50.3	28,453.0	43.6
Total assets	50,342.1	100.0	57,475.1	100.0	65,234.2	100.0
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	6,610.6	13.1	15,117.4	26.3	12,243.5	18.8

	As of December 31,					
	2020		2021		2022	
	THB mm	%	THB mm	%	THB mm	%
Trade accounts payable	4,407.1	8.7	5,047.2	8.8	5,958.5	9.1
Other payables	3,528.6	7.0	3,228.9	5.6	3,894.0	6.0
Current portion of debentures	3,000.0	6.0	3,000.0	5.2	2,798.9	4.3
Current portion of lease liabilities	355.9	0.7	546.9	1.0	573.0	0.9
Short-term borrowings	—	—	1,320.0	2.3	-	-
Income tax payable	209.3	0.4	297.5	0.5	167.7	0.3
Total current liabilities	18,111.5	35.9	28,557.9	49.7	25,635.6	39.4
Non-current liabilities						
Lease liabilities	1,757.0	3.5	3,575.8	6.2	3,864.5	5.9
Long-term loans from financial institutions	—	—	30.0	0.1	-	-
Debentures	10,000.0	19.9	7,000.0	12.2	4,199.1	6.4
Provision for employee benefits	2,046.9	4.1	1,654.0	2.9	1,653.0	2.5
Deferred tax liabilities	—	—	—	—	26.7	0.0
Other non-current liabilities	1,280.6	2.5	1,135.2	2.0	1,191.0	1.0
Total non-current liabilities	15,084.5	30.0	13,395.0	23.4	10,934.3	16.6
Total liabilities	33,196.0	65.9	41,952.9	73.0	36,569.9	56.0

	As of December 31,					
	2020		2021		2022	
	THB mm	%	THB mm	%	THB mm	%
Equity						
Share capital						
Authorised share capital	3,000.0	6.0	7,500.0	13.0	10,000.0	15.3
Issued and paid-up share capital	3,000.0	6.0	7,500.0	13.0	9,674.0	14.9
Share premium						
Share premium on ordinary shares	8.0	0.0	8.0	0.0	14,763.5	22.6
Deficit on business combination under common control	(12.8)	0.0	(12.8)	0.0	(908.4)	(1.4)
Retained earnings						
Appropriated to legal reserve	300.0	0.6	371.7	0.6	717.0	1.1
Unappropriated	13,845.7	27.5	7,845.1	13.6	4,187.5	6.4
Other components of equity	(76.5)	(0.2)	46.8	0.1	68.2	0.1
Equity attributable to owners of the parent	17,064.4	33.9	15,758.8	27.4	28,501.8	43.7
Non-controlling interests	81.7	0.2	(236.6)	(0.4)	162.5	0.3
Total equity	17,146.1	34.1	15,522.2	27.0	28,664.3	44.0
Total liabilities and equity	50,342.1	100.0	57,475.1	100.0	65,234.2	100.0

4.3.2 Consolidated Statements of Comprehensive Income

The following table sets forth a summary of our results of operations data for the years ended December 31, 2020, 2021 and 2022.

	As of December 31,					
	2020		2021		2022	
	THB mm	% of total income ⁽¹⁾	THB mm	% of total income ⁽¹⁾	THB mm	% of total income ⁽¹⁾
Income						
Revenue from sale of goods	79,966.1	99.2	85,291.8	98.3	112,479.8	98.8
Revenue from rendering of services	136.0	0.2	132.2	0.2	145.8	0.1
Investment income	22.5	0.0	20.3	0.0	39.9	0.0
Gain on changes in fair value of biological assets	61.2	0.1	177.7	0.2	91.2	0.1
Gain on sales of investment properties and property, plant and equipment	—	—	—	—	402.9	0.4
Gain on disposal of investments	—	—	—	—	120.1	0.1
Net foreign exchange gain	—	—	7.0	0.0	-	-
Net gain on derivatives	3.2	0.0	14.3	0.0	-	-
Other income	442.5	0.5	1,100.4	1.3	597.1	0.5
Total income	80,631.5	100.0	86,743.7	100.0	113,876.8	100.0
Expenses						
Cost of sale of goods	66,835.9	82.9	74,180.5	85.5	90,805.8	79.8
Cost of rendering of services	90.7	0.1	79.8	0.1	88.5	0.1
Distribution costs	5,325.3	6.6	6,133.4	7.1	7,432.0	6.5

	As of December 31,					
	2020		2021		2022	
	THB mm	% of total income ⁽¹⁾	THB mm	% of total income ⁽¹⁾	THB mm	% of total income ⁽¹⁾
Administrative expenses	5,134.3	6.4	4,780.5	5.5	5,161.5	4.5
Net foreign exchange loss	22.6	0.0	—	—	148.3	0.1
Net loss on derivatives	—	—	—	—	5.4	0.0
Total expenses	77,408.8	96.0	85,174.2	98.2	103,641.5	91.0
Profit from operating activities	3,222.7	4.0	1,569.4	1.8	10,235.3	9.0
Finance costs	(513.5)	(0.6)	(576.9)	(0.7)	(618.9)	(0.5)
Share of profit of associates and joint ventures	14.2	0.0	54.4	0.1	37.2	0.0
Profit before income tax	2,723.4	3.4	1,046.9	1.2	9,653.6	8.5
Tax expense (income)	382.4	0.5	207.9	0.2	1,549.1	1.4
Profit for the year	2,341.0	2.9	839.0	1.0	8,104.5	7.1
Other comprehensive income						
Items that will or may be reclassified subsequently to profit or loss						
Net change in fair value of availableforsale investments	—	—	—	—	—	—
Exchange differences on translating financial statements	(9.6)	(0.0)	118.7	0.1	(0.3)	0.0
Gain (loss) on cash flow hedges	(18.5)	(0.0)	6.9	0.0	27.1	0.0
Income tax relating to items that will be reclassified	3.7	0.0	(1.4)	0.0	5.4	0.0
Total items that will or may be reclassified subsequently to profit or loss	(24.4)	(0.0)	124.2	0.1	21.4	0.0

	As of December 31,					
	2020		2021		2022	
	THB mm	% of total income ⁽¹⁾	THB mm	% of total income ⁽¹⁾	THB mm	% of total income ⁽¹⁾
Gains (losses) on remeasurements of defined benefit plans	—	—	513.2	0.6	-	-
Loss on investments in equity instruments designated at FVOCI	(0.1)	(0.0)	(0.9)	(0.0)	-	-
Income tax relating to items that will not be reclassified	—	—	(102.6)	(0.1)	-	-
Total items that will not be reclassified to profit or loss	(0.1)	(0.0)	409.7	0.5	-	-
Other comprehensive income (expense) for the year, net of tax	(24.5)	(0.0)	533.9	0.6	21.4	0.0
Total comprehensive income (expense) for the year	2,316.5	2.9	1,372.9	1.6	8,125.9	7.1
Profit (loss) attributable to:						
Owners of the parent	2,360.6	2.9	1,010.5	1.2	7,937.7	7.0
Non-controlling interests	(19.6)	(0.0)	(171.5)	(0.2)	166.7	0.1
Profit (loss) for the year/period	2,341.0	2.9	839.0	1.0	8,104.4	7.1
Total comprehensive income attributable to:						
Owners of the parent	2,336.1	2.9	1,544.5	1.8	7,959.2	7.0
Non-controlling interests	(19.6)	(0.0)	(171.6)	(0.2)	166.7	0.1
Total comprehensive income for the year	2,316.5	2.9	1,372.9	1.6	8,125.9	7.1
Earnings (loss) per share (in Baht)	7.87	-	3.07	-	5.05	-

Note:

(1) Percentage of total income in that period

4.3.3 Consolidated Statements of Cash Flows

The following table summarizes net cash flows for the years ended December 31, 2020, 2021 and 2022.

	For the year ended December 31,		
	2020	2021	2022
	(in THB millions)		
Net cash from (used in) operating activities	5,719.4	(1,586.8)	10,734.8
Net cash from (used in) investing activities	(225.3)	(1,176.6)	(2,004.4)
Net cash from (used in) financing activities	(5,388.0)	2,702.5	(3,331.8)
Net increase (decrease) in cash and cash equivalents	106.1	(60.9)	5,398.6
Cash and cash equivalents at the beginning of period	496.5	602.6	541.7
Cash and cash equivalents at the ending of period	602.6	541.7	5,940.3

4.3.4 Key Financial Ratios

The table below sets forth our financial ratios for the years ended December 31, 2020, 2021 and 2022.

	As of and for the year ended December 31,		
	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾
Liquidity ratios			
Current ratio (times) ⁽²⁾	1.28	1.00	1.43
Quick ratio (times) ⁽³⁾	0.30	0.21	0.46
Cash flow liquidity ratio (times) ⁽⁴⁾	0.30	(0.07)	0.40
Accounts receivable turnover (times) ⁽⁵⁾	17.53	16.16	18.91
Average collection period (days) ⁽⁶⁾	20.54	22.27	19.04
Finished goods turnover (times) ⁽⁷⁾	22.74	21.53	24.91
Finished goods days (days) ⁽⁸⁾	15.83	16.72	14.45
Inventory turnover (times) ⁽⁹⁾	6.58	5.91	6.31
Inventory days (days) ⁽¹⁰⁾	54.70	60.87	57.08
Account payable turnover (times) ⁽¹¹⁾	17.78	15.71	16.52
Account payable days (days) ⁽¹²⁾	20.25	22.92	21.79
Cash cycle (days) ⁽¹³⁾	55.00	60.22	54.33
Profitability ratios			
Gross profit margin (%) ⁽¹⁴⁾	16.45	13.07	19.30

	As of and for the year ended December 31,		
	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾
Operating profit margin (%) ⁽¹⁵⁾	3.39	0.29	8.11
Non operating Income, net margin (%) ⁽¹⁶⁾	0.63	1.52	0.96
Cash flow to profitability ratio (%) ⁽¹⁷⁾	177.47	(101.10)	104.87
Net profit margin (%) ⁽¹⁸⁾	2.90	0.97	7.12
Return on equity (%) ⁽¹⁹⁾	14.59	6.16	35.87
Efficiency ratios			
Return to total assets (%) ⁽²⁰⁾	4.78	1.56	13.21
Return on fixed assets (%) ⁽²¹⁾	29.69	22.16	53.35
Total assets turnover (times) ⁽²²⁾	1.65	1.61	1.86
Total fixed assets turnover (times) ⁽²³⁾	3.83	3.92	4.92
Financial policy ratios			
Total liabilities to equity ratio (times) ⁽²⁴⁾	1.94	2.70	1.28
Interest bearing debt to equity ratio (times) ⁽²⁵⁾	1.27	1.97	0.83
Interest bearing Debt to Consolidated Segment Operating Profit before Depreciation and Amortization Ratio (times) ⁽²⁶⁾	3.28	7.09	1.75
Interest coverage ratio (times) ⁽²⁷⁾	12.89	N/M	25.29
Debt service coverage ratio (times) ⁽²⁸⁾	0.97	N/M	0.48
Dividend payout ratio (%) ⁽²⁹⁾	25.63	876.09	138.81

Note:

- (1) Financial information as of and for the years ended December 31, 2020, 2021 and 2022 is based on the consolidated financial statements (Audited) for the years ended December 31, 2020, 2021 and 2022.
- (2) Current ratio is calculated as current assets divided by current liabilities.
- (3) Quick ratio is calculated as the sum of cash and cash equivalents plus trade accounts receivables divided by current liabilities.
- (4) Cash flow liquidity ratio is calculated as cash flow from operating activities divided by average current liabilities. Average current liabilities is calculated by calculating the average of the opening and closing balance sheet figures.
- (5) Accounts receivable turnover is calculated as sum of revenue from sale of goods and revenue from rendering of services divided by average of the sum of trade accounts receivable before allowance for expected credit losses. Average sum of trade accounts receivable before allowance for expected credit loss calculated by calculating the average of the opening and closing balance sheet figures.
- (6) Average collection period is calculated as 360 divided by accounts receivable turnover.
- (7) Finished goods turnover is calculated as sum of cost of sale of goods and cost of rendering of services divided by average finished goods. Average finished goods is calculated by calculating the average of the opening and closing balance sheet figures.
- (8) Finished goods days is calculated as 360 divided by finished goods turnover.
- (9) Inventory turnover is calculated as sum of cost of sale of goods and cost of rendering of services divided by average inventory. Average inventory is calculated by calculating the average of the opening and closing balance sheet figures.
- (10) Inventory days is calculated as 360 divided by inventory turnover.
- (11) Accounts payable turnover is calculated as sum of cost of sale of goods and cost of rendering of services divided by average of the sum of trade accounts payable. Average sum of trade accounts payable is calculated by calculating the average of the opening and closing balance sheet figures.
- (12) Accounts payable days is calculated as 360 divided by accounts payable turnover.
- (13) Cash cycle is calculated as the sum of accounts receivable turnover plus inventory turnover minus accounts payable turnover.
- (14) Gross profit margin is calculated as gross profit divided by sum of revenue from sale of goods and revenue from rendering of services. In this regard, gross profit calculated by using sum of revenue from sale of goods and revenue from rendering of services deducted by sum of cost of sale of goods and cost of rendering of services.
- (15) Operating profit margin is calculated as operating profit divided by revenue from sale of goods and revenue from rendering of services. In this regard, operating profit calculated by (i) sum of revenue from sale of goods and revenue from rendering of services deducted by (ii) sum of cost of sale of goods and cost of rendering of services, distribution costs and administrative.
- (16) Non operating Income, net margin is calculated as Non operating Income, net divided by total income. In this regard, Non operating Income, net calculated by sum of (i) investment income (ii) gain on changes in fair value of biological assets (iii) gain on sales of investment properties and property, plant and equipment, (iv) gain on disposal of investments, (v) net foreign exchange gain (vi) net gain on derivatives (vii) other income deducted by (viii) net foreign exchange loss, and (ix) net loss on derivatives.
- (17) Cash flow to profitability ratio is calculated as cash flow from operating activities divided by profit (loss) from operating activities.
- (18) Net profit margin is calculated as profit for the year divided by total income.
- (19) Return on equity is calculated as profit (loss) attributable to owners of the parent divided by average equity attributable to owners of the parent. Average equity attributable to owners of the parent is calculated by averaging the opening and closing balance sheet figures.
- (20) Return on total assets is calculated as profit for the year divided by average total assets. Average total assets are calculated by calculating the average of the opening and closing balance sheet figures.
- (21) Return on fixed assets is calculated as sum of profit for the year and depreciation divided by average fixed assets (including property, plant and equipment, leasehold rights and right-of-use assets). Average total fixed assets are calculated by calculating the average of the opening and closing balance sheet figures.
- (22) Total assets turnover is calculated as total income divided by average total assets. Average total assets is calculated by averaging the opening and closing balance sheet figures.
- (23) Total fixed assets turnover is calculated as total income divided by average total fixed assets (including property, plant and equipment, leasehold rights and right-of-use assets). Average total fixed assets are calculated by calculating the average of the opening and closing balance sheet figures.
- (24) Total liabilities to equity ratio is calculated as total liabilities divided by total equity.
- (25) Interest bearing debt to equity ratio is calculated as interest bearing debt divided by total equity.
- (26) Interest bearing Debt to Consolidated Segment Operating Profit before Depreciation and Amortization Ratio is calculated as interest-bearing debt divided by Consolidated Segment Operating Profit before Depreciation and Amortization.
- (27) Interest coverage ratio is calculated as the sum of (i) cash flow from operating activities and (ii) tax expenses divided by finance costs used in financing activities.
- (28) Debt service coverage ratio is calculated as cash flow from operating activities divided by the sum of (i) debt repayment, (ii) investment expense (iii) asset acquisition expense and (iv) dividend payment.
- (29) Dividend payout ratio is calculated as dividend paid divided by net profit.

5. General Information and Other Important Information

5.1 General Information

Company Name	Betagro Public Company Limited (BTG)
Head Office Location	323 Moo 6, Thung Song Hong, Laksi, Bangkok
Business	Agro-Industrial and Food in Thailand and Overseas
Registration Number	0107539000022
Telephone	+66(0) 2833 8000
Fax	+66(0) 2833 8001
Website	www.betagro.com
E-mail	ir@betagro.com (Investor Relations Department) cso@betagro.com (Corporate Secretary Office)
Securities Registrar	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel : +66(0) 2009 9000 Fax : +66(0) 2009 9991 SET Contact center: +66(0) 2009 9999

Debenture Registrar and Debenture Holder Representative

Debenture BTG No. 2/2017 Series 3 due 2024 and
Debenture BTG No. 1/2018 due 2023

Debenture Registrar **Siam Commercial Bank PCL**
9 Ratchadaphisek Road, Chatuchak, Chatuchak, Bangkok 10900
Tel: +66(0) 2544 1111 Fax: +66(0) 2937 7931
Website: www.scb.co.th

Debenture BTG No. 1/2020 Series 1 due 2023 and
Debenture BTG No. 1/2020 Series 2 due 2024 and
Debenture BTG No. 1/2020 Series 3 due 2025

Debenture Registrar **Bangkok Bank PCL**
333 Silom Road, Silom, Bangrak, Bangkok 10500
Tel: +66(0) 2230 1477-8 Fax: +66(0) 2626 4545-6
Website: www.bangkokbank.com

Debenture Holder Representative **Bank of Ayudhya PCL**
Securities Services Marketing Department, AA Floor 1222
Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120
Tel: +66(0)296-5557 Fax: +66(0) 2683-1298
Website: www.krungsri.com

Auditor **KPMG Phoomchai Audit Co., Ltd.**
1 Empire Tower, 50th Floor, South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Tel: +66(0) 2677 2000 Fax: +66(0) 2677 2222

5.2 Other Important Information

5.2.1 Major Laws and Regulations related to the Company's Business Operations



1. Laws regarding Livestock

The Animal Epidemic Act B.E. 2558 (2015) (as additionally revised) ("Animal Epidemic Act") stipulates that any business operator trading or making profit, as a middleman, from "animals" (meaning elephants, horses, cows, buffalos, goats, sheep, deer, pigs, wild boars, dogs, cats, poultry (chickens, ducks and geese) and other animals as announced by the Minister of the Agriculture and Cooperatives Ministry, including semen for mating and eggs for breeding, or "animal remains" (meaning the body or parts of the body of a dead animal or anything derived from live or dead animals, including cooked food or finished artifacts made from animal remains

as announced by the Minister of the Agriculture and Cooperatives Ministry) shall receive a license from the Office of the Provincial Livestock and shall comply with the specified criteria, methods and conditions. In case anyone operates a livestock business or operates a business as a middleman without a license, he or she shall be imprisoned for no more than one year, fined no more than twenty thousand baht, or both. If any business operator does not comply with the requirements under the Animal Epidemic Act or secondary related laws, he or she shall be imprisoned for no more than one month, fined no more than ten thousand baht, or both. The provincial livestock registrar is authorized to suspend or revoke the license.

Under the Animal Epidemic Act, any business operator who imports or exports animals or animal remains, or transports animals or animal remains through the Kingdom shall receive an import or export license from the Department of Livestock Development. The operator shall prepare a mark for each animal in advance and shall import, export or deliver animals or animal remains at the entrance or exit ports as specified by the secondary law. The operator shall also comply with the criteria, methods and conditions specified by the Department of Livestock Development. Any operator who imports or exports animals or animal remains without a license shall be imprisoned for no more than two years, fined no more than twenty thousand baht, or both.

In case the wrongdoer is a juristic person, and the managing director, manager or any person responsible for complying with the Animal Epidemic Act has instructed, has taken action or has not taken action which may lead to violation as described above, the said person shall also be punished as mentioned above.

In operating a slaughterhouse business, the operator shall receive a license from the Department of Livestock Development or a person assigned by the Department. According to the Control of Animal Slaughter for the Distribution of Meat Act, B.E. 2559 (2016), the license is valid for five years from the issuing date, and the license holder shall comply with the criteria and requirements specified in the related laws or

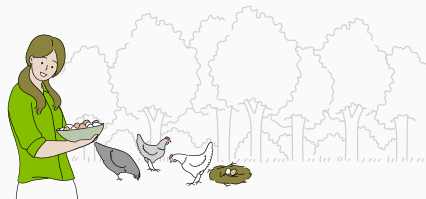
secondary laws. If the operator does not comply with the various criteria, the officer is authorized to order him or her to take accurate action. By not following the order mentioned above, the operator's license can be revoked, and/or the operator may receive a criminal charge. In case a licensed slaughterhouse business causes an impact on public's health and hygiene, the officer is also authorized to stop the operation temporarily and orders the operator to take necessary action to improve or eliminate the cause of the said danger within a specified period.

The operator who operates slaughterhouse without a license shall be imprisoned for no more than three years, fined no more than two hundred thousand baht, or both. Moreover, any operator not complying with the specified requirements in the related laws or secondary laws shall be imprisoned for no more than one year, fined no more than one hundred thousand baht, or both.

2. Laws regarding Production, Import and Distribution of Animal Feed



The Animal Feed Quality Control Act, B.E. 2558 (2015) ("Animal Feed Quality Control Act") stipulates that anyone who wishes to produce for sale, import for sale and sell specifically controlled animal feed (meaning mixed animal feed for sea prawns, fresh water prawns, fresh water fish living on vegetables or meat, sea fish living on meat, frogs, broilers, laying hens, native chickens, egg ducks, meat-type ducks, partridges, pigs, beef cattle and dairy cattle as announced by the Ministry of Agriculture and Cooperatives regarding Specifically Controlled Animal Feed B.E. 2558 (2015) shall receive a license from the Department of Livestock Development. If any operator produces or imports specifically controlled animal feed without a license, he or she shall be imprisoned for no more than three years, fined no more than sixty thousand baht, or both. Any operator selling specifically controlled animal feed without a license shall be imprisoned for no more than six months, fined no more than ten thousand baht, or both. In case the wrongdoer is a juristic person and the managing director, manager or any person responsible for complying with the Animal Feed Quality Control Act for that juristic person has instructed, has taken action or has not taken action which will lead to violation as described above, the said person shall also be punished as specified above.



According to the Animal Feed Quality Control Act, any licensed operator shall register its animal feed with the Department of Livestock Development since this evidence is necessary for the production or import of specifically controlled animal feed. If any operator produces or imports specifically controlled animal feed without registration, he or she shall be imprisoned from one to five years, fined from twenty thousand to one hundred thousand baht, or both. In addition, any operator selling specifically controlled animal feed without a license shall be imprisoned from six months to three years, fined from ten thousand to sixty thousand baht, or both.

3. Laws regarding Food Production and Distribution

The Food Act B.E. 2522 (1979) (as additionally revised) ("Food Act") prohibits any business operator from setting up a plant for food production or food import for sale without permission

from the Secretary General of the Food and Drug Administration (FDA) or a person authorized by the FDA. Furthermore, the operator shall not produce, import or store food at any other places except those specified in the permit, and shall not change the production location without permission. If any operator sets up a food production plant or imports food for sale without permission, he or she shall be imprisoned for no more than three years, fined no more than thirty thousand baht, or both.

The Food Act and related secondary laws also stipulate that business operators shall register specified types of food products such as ready-to-cook and ready-to-eat products with the Food and Drug Administration. This is to confirm that the said food products have the quality and safety standards as specified. Additionally, selling and distribution of food products shall follow the criteria and requirements stated in the Consumer Protection Act, B.E. 2522 (as additionally revised) and related subsidiary laws regarding advertising, labelling, product safety and other consumers' rights.

The Public Health Act, B.E. 2535 (1992) ("Public Health Act") stipulates that any business operator wishing to sell food or store food in an area larger than 200 square meters shall receive permission; otherwise, he or she shall be imprisoned for no more than six months, fined no more than fifty thousand baht, or both. In case the area is less than 200 square meters, the operator shall receive a notification certificate; otherwise,

he or she shall be imprisoned for no more than three months, fined no more than twenty-five thousand baht, or both. In case the wrongdoer is a juristic person and the managing director, manager or any person responsible for complying with the Public Health Act for that juristic person has instructed, has taken action, or has not taken action which will lead to violation as described above, the said person shall also be punished as specified above.

Moreover, in order to guarantee the hygiene of the said operating location, the local unit is also authorized to issue codes of law regarding the type of location for selling or storing food; criteria for setting up, using and maintaining the location where the operator sells or stores food; criteria for food hygiene; and criteria regarding hygiene conditions of containers and other appliances. Therefore, any operator who receives a permit or a certificate to set up a location for selling or storing food shall comply with the local codes of law as mentioned above.

4. Laws regarding Product and Service Pricing



Under the Product and Service Price Act, B.E. 2542 (1999) ("Product and Service Price Act"), the Central Committee on Prices of Goods and Services with the consent of the cabinet is authorized to announce any product or service to be a controlled product or service. Once the announcement is made, the Committee is authorized to take the following actions:

- A** Set the buying and selling price of the controlled product or service for the buyer to buy at a price not lower than specified or the seller to sell at a price not higher than specified, or maintain the price at a particular point
- B** Specify the highest profit rate per unit of the controlled product or service which the seller receive from selling the controlled product or service, or specify the ratio between the buying and the selling price of the controlled product or service during a particular trading period
- C** Set criteria, measures and conditions for compliance regarding production, import into the Kingdom and export outside the Kingdom, buying, selling or storing controlled products or services
- D** Specify the area or period for the enforcement of the Committee's announcement
- E** Specify the notification of quantity, storing location, cost, expenses, production plan, import plan, export plan, purchasing plan, distribution plan, plan for a change in prices or any other items or discounts, production

process and methods of controlled products and services, to the officer

F Specify the storing of or an increase in storing of controlled products, and also specify the area and location for storing them

G Prohibit or permit export or import of controlled products into a certain area

H Order business operators to improve their production efficiency, import, purchase, distribution or storage of controlled products or services, as well as stop or reduce expenses set too high

I Arrange for the sharing of buying and selling controlled products or services, as well as specifying the criteria and conditions for the said sharing, or specify buying and selling conditions for the controlled products or services

J Order that controlled products or services be sold according to the specified quantity and prices, as well as order that the controlled products or services be sold to which Government units or persons as specified by the Committee

K Prohibit selling, giving, using, moving or changing the condition of the controlled products or services beyond specified parameters

L Set measures to prevent hoarding of controlled products or owning more controlled products than specified

In case any business operator violates or does not comply with the said criteria and requirements, he or she shall be imprisoned for no more than five years, fined no more than one hundred thousand baht, or both.

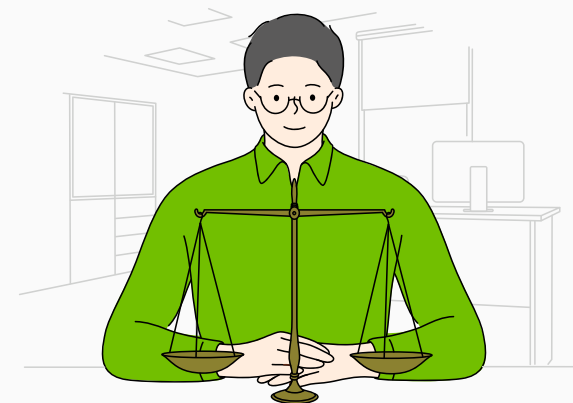
In addition, the Product and Service Price Act prohibits any operator from taking any action with the intention to reduce or increase the price inappropriately or cause chaos in the controlled products or services as specified by the Committee. This Act also prohibits any business operator from (a) hoarding controlled products with higher quantity in ownership than announced by the Committee, (b) storing controlled products at other places not reported to the officer, (c) not bringing out the controlled products for sale or not selling the controlled products as usual, (d) refusing to sell or delaying the sale or delivery of controlled products without appropriate reasons. If any business operator violates or does not comply with the above-mentioned criteria and requirements, he or she shall be imprisoned for no more than seven years, fined no more than one hundred and forty thousand baht, or both

5.2.2 Foreign Holding Limit

Betagro shares can be transferred freely without any limitation except when the transfer of those shares causes the Company to have more than 49 percent of the total sold shares held by

foreigners at a particular period, or the transfer violates the law. For any share transfer which will lead to the ratio of foreigners holding more shares than specified above or which violates the law, the Company has the right to deny that transaction.

5.3 Legal Disputes



Betagro or its subsidiaries normally have only legal disputes related to its business operations. There are no pending cases in which Betagro or its subsidiaries are parties to lawsuits and which may have a negative impact on the Company's or its subsidiaries' assets more than 5 percent of its shareholders' equity as at December 31, 2022. In addition, there are no cases which may significantly affect its or its subsidiaries' operations where the impact cannot be estimated in numbers or the cases are not caused by normal business operation of the Company or its subsidiaries.

5.4 Secondary Market

BTG has no listed securities in the stock exchange markets of other countries.

5.5 Frequently Contacted Financial Institutions

Frequently Contacted Financial Institutions

Siam Commercial Bank PCL

9 Ratchadaphisek Road, Chatuchak, Chatuchak, Bangkok 10900

Tel: +66(0) 2544 1111 Fax: +66(0) 2937 7931

Website: www.scb.co.th

Bangkok Bank PCL

333 Silom Road, Silom, Bangrak, Bangkok 10500

Tel: +66(0) 2230 1477-8 Fax: +66(0) 2626 4545-6

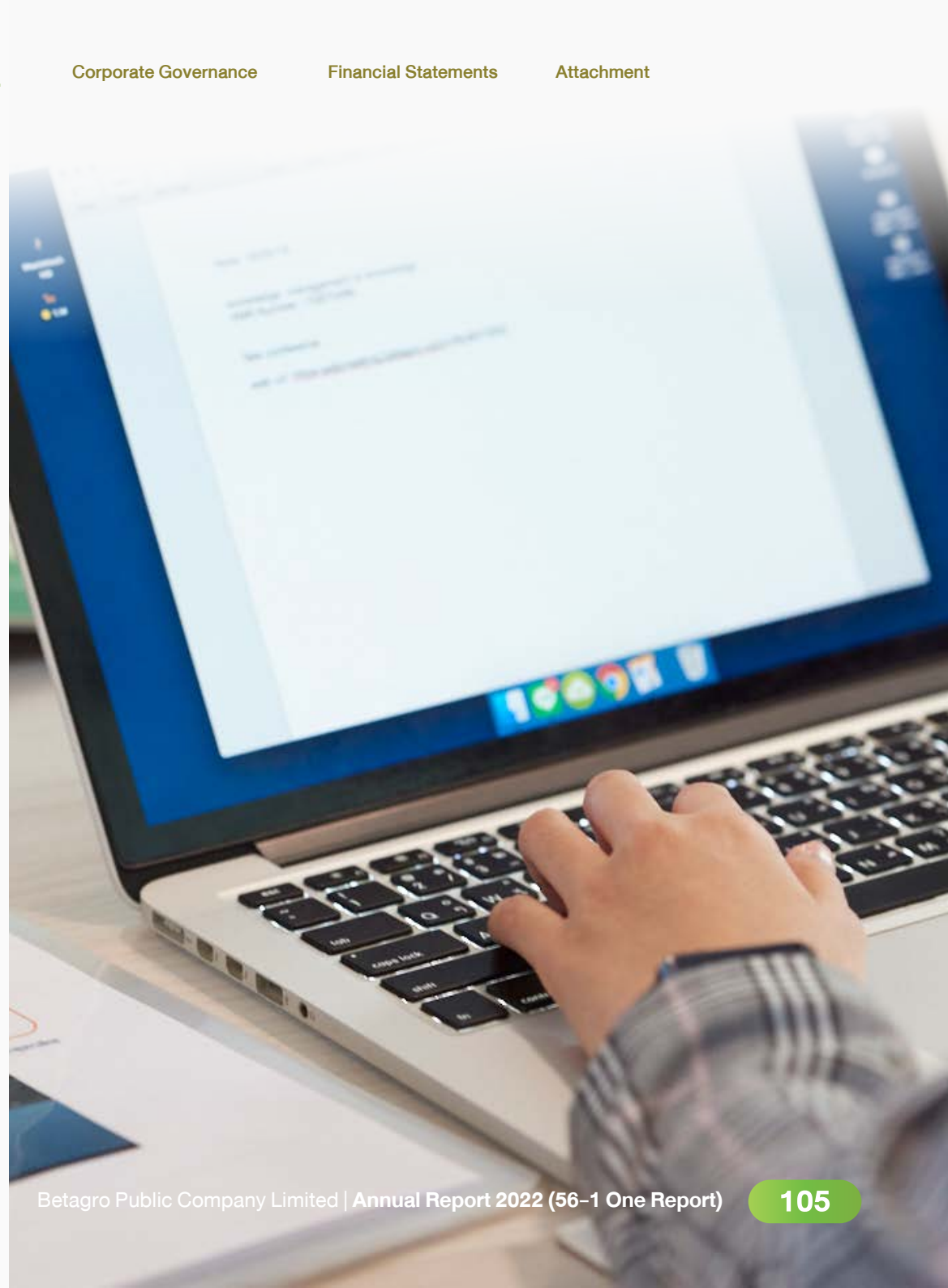
Website: www.bangkokbank.com

Bank of Ayudhya PCL

1222 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120

Tel: +66(0)296-5557 Fax: +66(0) 2683-1298

Website: www.krungsri.com



Part 2 Corporate Governance

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6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Code of Conduct

Betagro conducts its business based on good governance, excellent management, moral ethics and transparency. All transactions shall be auditable and free from fraud and corruption. The Company aims to generate maximum benefits for its shareholders and overall stakeholders based on a documented operating framework.

The Board of Directors has specified governance guidelines to encourage competitiveness and excellent performance with consideration of long-term impact, fair and ethical business operations, as well as respect for rights and responsibilities for society and environment. Equal treatment

for all groups of stakeholders and ability to adapt to various changing factors are also considered. Corporate Governance Principles for Registered Companies 2017 (CG Code 2017) prepared by the Securities and Exchange Commission were modified into Betagro's Corporate Governance Policy. The Board of Directors who are corporate leaders or the highest responsible persons apply this policy as a code of conduct to create value for sustainable business. The Corporate Governance and Sustainable Development Committee is responsible for overseeing Betagro's corporate governance. Betagro has set a corporate governance policy covering eight major codes of conduct based on CG Code 2017.

Information and details related to Betagro's Corporate Governance Policy appear in Attachment 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – "Corporate Governance Policy"

6.1.1 Policy and Code of Conduct related to the Board of Directors

6.1.1.1 Nomination and Compensation for Directors and Executives

The Board of Directors ensures the nomination and development of Betagro's and/or its subsidiaries' directors, sub-committee directors, president and top executives who are knowledgeable, skillful and experienced, and possess qualifications required to drive the organization towards its goals. The Board also supervises appropriate structuring of compensation and evaluation for staff of all levels.

The Board of Directors has, therefore, appointed a Nomination and Compensation Committee consisting of at least three nomination and compensation directors – most of whom including the chairperson are independent directors. The Committee's objectives are to review the criteria and procedures



for nominating persons who are qualified to hold the positions of Betagro's and/or its subsidiaries' directors, sub-committee directors, president and top executives as specified by the nomination procedure. The Board is also responsible for reviewing the types and criteria for compensation to the Board of Directors, sub-committee directors, president and top executives, as well as presenting its opinions at the Board of Directors' and/or the shareholders' meetings for further appointments. The guidelines for nominating and compensating directors and executives by the Nomination and Compensation Committee appear in Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – "Nomination and Compensation Committee.

6.1.1.2 Management Committee's Independence

Under the Board of Directors' structure, at least one third of the total number of directors – but no fewer than three directors – shall be independent directors. These independent directors must be independent from the control of related management and major shareholders, and must not be involved in or hold interests in the Company's finance and business management. They must possess all the qualifications as per the specified qualification criteria for independent directors appearing in the announcement of the Capital Market Supervisory Board on permission to request and permission to offer newly issued shares, and perform within their scope of duties and responsibilities as specified by the related laws, requirements and/or regulations.

The Board of Directors shall appoint an appropriate person as Chairman of the Board and ensure that the components and the work of the Board facilitate the use of independent decision making. The purposes are to promote the balance of power between the Board of Directors and the management, as well as to comply with the Corporate Governance Principles for Registered Companies. Betagro divides roles and responsibilities between the Board of Directors and the management clearly for each position resulting in a balance of power, auditability, efficient management and transparency. Details of each position's roles and responsibilities are shown below:

Chairman of the Board of Directors

The leader of the Board of Directors' major role is to supervise and support the work of the Board of Directors in compliance with the law and Corporate Governance.

Board of Directors

The Board of Directors is responsible for setting business directions, policies and strategies in order to generate the highest investment returns and benefits for shareholders. Its duty is also to supervise and monitor the work of the management to ensure compliance with the specified policies and strategies as well as the laws, Company's objectives and Articles of Association – along with the shareholders' meeting resolutions.

Chief Executive Officer

The CEO is authorized to supervise business operations to ensure compliance with the Company's policies, goals and objectives under the laws, Company's objectives and Articles of Association, the Board of Directors' and the shareholders' meeting resolutions.

President

The President is assigned by the Board of Directors to be responsible for the Company's normal business operation based on the plans and budgets approved by the Board. The work shall be performed strictly with integrity, honesty and for maximum benefit to the Company and its shareholders. The President shall not take any action in which he or she has interest or conflict of interest with the Company, its subsidiaries or associated companies.

Management

The management is responsible for managing business units successfully based on the Company's business directions, policies and strategies specified by the Board of Directors. Its' duty is also to manage daily work and business.

The division of responsibilities above appears in Item 3.2 of the complete version of Corporate Governance Policy appeared in Attachment 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Corporate Governance Policy”.

6.1.1.3 Directors' Development and Performance Evaluation

The Nomination and Compensation Committee is responsible for preparing and reviewing a development plan for the Board of Directors, sub-committee directors, president and top executives. The objectives of the plan are to enhance the knowledge and skills of various committees in line with Betagro's businesses and circumstances, as well as to foster understanding of the roles and responsibilities of directors, businesses, economic conditions, technologies, laws or criteria related to its businesses. For new directors, the Nomination and Compensation Committee is in charge of organizing an orientation session and distribution of documents and information necessary for the work of the said new directors.

In addition, this Committee shall propose performance evaluation methods and conduct performance evaluation of the Board of Directors, president, various sub-committees and top executives. It shall also review the evaluation methods every year, then monitor and summarize evaluation results before presenting the summary report to the Board of Directors for improvement in operation efficiency and the Board of Directors' knowledge and ability.

6.1.1.4 Governance and Management Policy for Subsidiaries and Associated Companies

Betagro has set a Governance and Management Policy for its subsidiaries and associated companies in order to specify both direct and indirect measures and mechanisms. The objectives of the policy are to supervise and manage its subsidiaries and associated companies' businesses, and to ensure that its subsidiaries and associated companies conform to the specified policies, measures, mechanisms and related laws as they are units of the Company. Details of the implementation under this policy are as follows:

1 Appointment of Persons as Directors or Executives in Subsidiaries or Associated Companies

Betagro will appoint persons who are its representatives to be directors or executives at each subsidiary, and will make an effort to appoint persons who are its representatives to be directors or executives at each associated company based on its shareholding ratio in the said subsidiary or associated company. The appointed persons are responsible for supervising and ensuring that the subsidiaries and/or associated companies run their businesses in compliance with the law, Corporate Governance Policy and other policies, as well as Betagro's goals, vision, medium-term plan and efficient growth strategic plan. The exception is when the Board of Directors considers that the committee and management structure with the number of persons who are directors or executives at the subsidiaries and/or associated companies accounting for less than the Company's shareholding ratio in the said subsidiaries and/or associated companies will (a) have no impact on the power of the Company to set policies and implementation guidelines for significant matters or matters that may affect the finance and performance of the subsidiaries and/or associated companies, or (b) create an appropriate balance of power in the said subsidiaries and/or associated companies, or (c) be for business reasons including the consideration of contract parties and related stakeholders, or (d)

comply with the agreement based on business venture or investment contracts signed (if any).

In cases specified by related laws, Betagro shall propose to the Company's Board of Directors' meeting to appoint its representatives to hold positions in the said subsidiaries and/or associated companies. In so appointing, the Company's Board of Directors shall take into consideration overall factors, business reasons and appropriateness of each subsidiary and/or associated company.

2 Matters required approval from the Company's Board of Directors' and/or shareholders' meetings before subsidiaries conduct transactions or take any actions in the scope of assets acquisition or disposition or related parties' transactions

If subsidiaries conduct any transactions or take any actions which are within the scope of assets acquisition or disposition as announced by the Capital Market Supervisory Board regarding assets acquisition or disposition or related parties' transactions, the Company is responsible for requesting approval from the Board of Directors' meetings and/or the shareholders' meetings before carrying out such transactions. Subsidiaries can conduct such transaction or take such action only after they have received approval from the Company's Board of Directors' meeting and/or shareholders' meeting.



3 Business Monitoring and Disclosure of Subsidiaries' and Associated Companies' Information

Betagro will ensure that subsidiaries comply with corporate governance, make financial reports, set up internal control and risk management systems, a fraud prevention system and other necessary systems. It will regularly review performance reports from its subsidiaries and/or associated companies, and will specify necessary plans and practices to make sure that its subsidiaries and/or associated companies operate their businesses in line with the related plans, budgets, policies and criteria. In addition, it will ensure disclosure of information on performance, financial status, related parties' transactions, transactions with possible conflicts of interest, assets acquisition or disposition transactions, and other significant transactions, as well as investment with other business operators, to the Company through monthly or quarterly performance reports as specified by the Company.

In cases specified by related laws, the Company will monitor and ensure that the directors and executives appointed to represent the Company and holding a director or executive position in the said subsidiary or associated company perform their duties responsibly in compliance with the laws and the Company's objectives, Articles of Association and policies.



4 Use of Subsidiaries and Associated Companies' Internal Information

Subsidiaries' and/or associated companies' directors, executives, staff and contract workers including the spouses and minor children of the said persons shall not use information not yet disclosed to the public, which may or may not have a significant impact on the Company's securities price change, which may be obtained from doing their work or any other ways for

their own or others' benefits directly or indirectly, and with or without compensation.

The said persons are responsible for strictly complying with the Securities Act and the Conflict of Interest Prevention Policy (appearing in Item 6.1.2.4). The Company has set measures to manage internal information in Betagro Code of Ethics (A complete version of Betagro Code of Ethics appears in Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Betagro Code of Ethics”). Information shall be stored in a safe place and retrieved for use as required by the Group while every employee shall protect and maintain internal information from being used or disclosed externally without permission.

In addition, to prevent directors and executives from using its internal information for their own benefit, Betagro assigns the Company Secretary to inform the Board of Directors, executives and related internal persons to be careful when trading its securities during the financial statement review period. This is to prevent securities trading by using internal information. (Details appear in Attachment 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Scope of Authority, Duties and Responsibilities of the Company Secretary”).

5 Transactions of Persons with Interests

Directors and executives who are Company's representatives at its subsidiaries and/or associated companies shall comply with the policy to prevent conflicts of interest. They shall also ensure that no one with interests in any matter or conflicts of interest with the subsidiaries and/or associated companies, be it directly or indirectly, takes part in the approval of that matter.

A complete version of the Corporate Governance and Management Policy for Subsidiaries and Associated Companies appears in Attachment 5 (A complete version of Corporate Governance and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Corporate Governance and Management Policy for Subsidiaries and Associated Companies”.

6.1.2 Policy and Code of Conduct related to Shareholders and Stakeholders

Betagro is committed to operating its business with good corporate governance. Thus, it has set a policy and code of conduct related to shareholders and stakeholders in its Corporate Governance Policy, a policy to prevent conflicts of interest, and an anti-corruption policy. The key guidelines in these policies are:

6.1.2.1 Promotion of Innovation and Responsible Operation

Betagro's Board of Directors puts priority on and supports creation of innovation which will generate business value while creating benefits for all related stakeholders. It operates business with responsibility for society and the environment through the promotion of actions that will help create value for the Company based on the changing environment. These actions cover setting its business model, product and service design and development concept, production process and work procedure analysis and improvement, and cooperation with its partners.

The Board of Directors shall monitor and ensure that the Company's Management operates business with social and environmental responsibilities. This reflects in its operating plan to ensure that all parties operate in line with Betagro's objectives, main goals and strategies.

The Board of Directors shall monitor the Management's efficient and effective allocation and management of resources with consideration to the impact and resources development of the entire value chain to sustainably achieve the Company's objectives and main goals.

The Board of Directors shall put in place a framework for corporate technology information governance and management based on the Company's needs. It will also ensure that

information technology is used to increase business opportunities, improve operations and risk management so that the Company can achieve its main objectives and goals.

The Promotion of Innovation and Responsible Operation appears in Item 5 of the complete version of Corporate Governance Policy in the attached Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Corporate Governance Policy”.



6.1.2.2 Maintenance of Financial Credibility and Disclosure of Information

The Board of Directors is responsible for ensuring an efficient financial reporting system and disclosure of accurate, sufficient and timely information based on related criteria, standards and code of conduct.

The Board shall monitor to make sure that the Company has sufficient financial liquidity and ability to pay debts.

In case the Company encounters financial issues or is likely to face issues, the Board shall ensure that the Company has solution plans or other mechanisms to solve such problems.

With consideration to the stakeholders' rights and reasonability, the Board of Directors' policy is to prepare a sustainable report as deemed appropriate to disclose information on compliance with the law, charters, ethics and code of conduct. The report will also cover the Company's anti-corruption policy, employees' and stakeholders' treatment – including fair treatment and respect for human rights – as well as social and environmental responsibilities. The said information may be disclosed in the annual report or other documents, or published separately as deemed appropriate by the Company.

The Board of Directors shall supervise the Management on the establishment of an investor relations unit responsible for communicating and publicizing information useful to the Company's shareholders, investors, analysts and other related persons in an appropriate, equal and timely manner.

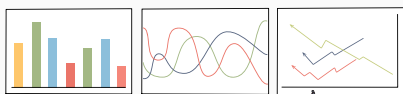
The Board shall also promote the use of information technology for information disclosure. In addition to disclosing information based on the specified criteria and through the Stock Exchange's channels, the Board of Directors will ensure that up-to-date information is disclosed in both Thai and English through other channels such as the Company's website.

The Maintenance of Financial Credibility and Disclosure of Information appears in Item 7 of the complete version of Corporate Governance Policy in the attached Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Corporate Governance Policy”.

6.1.2.3 Promotion of Shareholders' Participation, Communication and Use of Rights

Betagro realizes the importance of its shareholders. Therefore, it has taken action to ensure that all shareholders are treated equally and they can fully exercise their basic rights as shareholders such as

- 1 The right to trade or transfer shares,
- 2 The right in the Company's profit sharing,
- 3 The right to receive sufficient related information through the Company's or the Stock Market's websites or other methods,



- 4 The right to participate in shareholders' meetings to exercise their voting right freely on the appointment or removal of directors, directors' compensation, appointment of auditors, dividend payment, and capital increase or issuance of new shares. Other rights include the right to ask questions of the Board of Directors about its reports and other matters presented at the meeting for consideration and approval, the right to propose a meeting agenda in advance and nominate persons to be appointed as the Company's directors, and the right to participate in the Company's major decision making. It is specified that all shareholders have the right to vote based on the number of shares they hold and each share is equal to one vote. Moreover, the Company shall not take any action that will violate or deprive the shareholders of their rights.

The Promotion of Shareholders' Participation, Communication and Use of Rights appears in Item 8 of the complete version of Corporate Governance Policy in the attached Appendix 5 (A complete version

of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – "Corporate Governance Policy".

6.1.2.4 Conflict of Interest Prevention Policy

- 1 Betagro considers transparent reporting very important for the benefit of the Company, and it also puts high priority on preventing transactions that may cause conflicts of interest, inter-party and related parties' transactions. To do so, it has specified a code of conduct, prohibition and various points to consider so that its directors, executives and staff will understand and comply with the Conflict of Interest Prevention Policy approved at the Board of Directors' meeting No.2/2565 on 22 February 2022. Under this policy, the Company's Board of Directors, management and/or staff (depending on each case) shall comply with the related requirements or points for consideration as follows: immediately disclose and send information on their own interest and related persons to the Board of Directors to inform about the relations and transactions with the Company and its subsidiaries in a way that may cause conflicts of interest before conducting such transactions. Betagro has specified that its Company Secretary shall be responsible for surveying the transactions with interest regularly at the end of every year. The survey shall be conducted at least once a year on the Company's Board of Directors,

management and/or persons involved, and the results shall be presented to the Audit Committee and the Board of Directors for information.

- 2 Avoid inter-party or related party transactions with oneself and/or any other persons who may have conflicts of interest or may be related or which may cause conflicts of interest with Betagro and its subsidiaries. In addition, no action which may be in conflict with the interests of the Company and/or its subsidiaries or which is in one's own interest and/or the interest of related persons shall be taken, and the Company's Business Ethics shall be strictly complied with.
- 3 The following actions which will result in the Company's directors, executives and/or related persons receiving financial benefits apart from what they normally receive or which will cause damage to the Company or its subsidiaries are assumed to be actions in significant conflict with the Company's and its subsidiaries' interests.
 - (a) Transactions between the Company or its subsidiaries with the Company's directors, executives or related persons which do not comply with the related criteria on inter-party or related party transactions
 - (b) Using the Company's or its subsidiaries' information which one knows, except for the information previously

disclosed to the public in general

- (c) Using the Company's or its subsidiaries' assets or business opportunities which violate the criteria or general code of conduct as prescribed by the Capital Market Supervisory Board



- 4 In case the inter-party or related party transactions are normal transactions based on a trade agreement with common trade terms and conditions as wise people will enter with general parties in a similar situation, and trade bargaining power without the influence from being shareholders, directors, executives or related persons as approved by the Company's Board of Directors, such transactions shall be summarized and sent to the Audit Committee and the Board of Directors for information, and opinions shall be sent quarterly when such transactions are made.
- 5 For other inter-party or related party transactions which are not normal transactions, the Audit Committee shall consider and give its opinions on the need for and price

appropriateness of such transactions before making them. In addition, such transactions shall be made in line with related criteria on inter-party or related party transactions under the Stock Exchange's law and the Company's policy on inter-party and related party transactions.

- 6 The Board of Directors shall supervise the Company and its subsidiaries to ensure compliance with and disclosure of information as specified in the Stock Exchange's regulations and other related laws
- 7 The Board of Directors is responsible for supervising the Company and its subsidiaries to have a sufficiently efficient and strict internal control system. This is to ensure that the Company and its subsidiaries operate business in line with the various policies, Articles of Association, laws and registered companies' corporate governance guidelines, as well as the regulations and criteria of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 8 A clear operating system shall be set up to reflect that the subsidiaries are equipped with a system to continually and credibly disclose information on significant transactions based on the specified criteria. Channels shall also be created for the Board of Directors

and management to have access to the subsidiaries' information in order to efficiently monitor their performance and financial status, transactions between the subsidiaries and the Company and its management, and the subsidiaries' significant transactions. Additionally, a mechanism to audit such system of the subsidiaries shall be set up so that the Company's independent directors, audit directors and internal auditors can directly access information and report the operating system audit results to the Company's Board of Directors, Audit Committee Directors and management to ensure that the subsidiaries regularly operate business according to the established operating system.

- 9 The Board of Directors and management shall not participate in the expression of their opinions and approval of the matters in which they have direct or indirect interests or conflicts of interest.
- 10 Avoidance shall be made in holding shares, being directors, executives or advisors in the companies which operate similar businesses or are competitors or may have conflicts of interest with the Company or its subsidiaries. Holding shares or being directors or executives or advisors in other companies are permissible if such shareholding or position is not in conflict with the interests and the work of the Company or its subsidiaries, and is in compliance with the criteria specified in the Public Company Limited and Securities laws.

6.1.2.5 Anti-Corruption Policy

The objectives of the Anti-Corruption Policy set by Betagro are to create employees' understanding of their roles, duties and responsibilities and to be the guidelines for specifying the criteria and code of conduct to prevent corruption and set violation penalties. The Board of Directors' Meeting No. 2/2565 held on 22 February 2022 approved the Anti-Corruption Policy with the following key messages:

1. Anti-Corruption Policy



- a Betagro's policy is to comply with the laws and standards related to anti-corruption in both Thailand and other countries in which it operates, as well as conforming to the Betagro Code of Ethics.
- b Betagro and its personnel shall not take part in fraud or corruption by demanding, receiving or paying bribes to a person or juristic person involved with corruption.
- c Betagro's personnel shall be aware of their roles, duties and responsibilities for understanding the anti-corruption policy and seriously putting it into practice to prevent

corruption in all activities. The aim is to create a corporate culture which emphasizes responsibilities for the organization, society and all groups of stakeholders as well as to develop a sustainable organization.

- d Companies, representatives, partners, contract parties or any persons acting on behalf of Betagro are responsible for complying with this Policy.
- e For Betagro's partners or contract parties who violate and do not comply with this Policy, their contract with the Company shall be terminated.
- f If stakeholders suffer damage due to Betagro's and/or its personnel's lack of compliance with the laws, Betagro is willing to listen to those comments or complaints. It is also ready to find facts for immediate and appropriate correction and improvement as well as specify recurring prevention guidelines. In addition, it shall consider fair and appropriate compensation for the damage done to the persons based on the cause of such case.
- g Betagro is fair to and protects those who refuse to play any role in cases of corruption or who notify the Company of cases of corruption. It shall not penalize or cause any negative impact on the directors, executives or staff who refuse to participate in corruption – even though such refusal may result in the Company losing business opportunities.

- h Betagro employees are directly responsible for putting the policy into practice in the Company or within their responsible units.




2. Penalty



- a If any directors, executives or employees take any direct or indirect action in violation of this Anti-Corruption Policy, they shall receive disciplinary action as specified by the Company and/or punishment under the related laws.
- b Betagro personnel shall understand and perform their duties according to each operating step outlined in the Anti-Corruption Policy. If they see any action which violates this Policy, they shall notify their supervisor or a responsible unit immediately.
- c Any supervisors who ignore violations or lack of compliance with this Anti-Corruption Policy by their subordinates, or know about such action but take no action to correct or notify, shall receive disciplinary action as specified by the Company's regulations.

3. Employee or Stakeholder Whistleblowing

Betagro has established a whistleblowing channel through which any employee or stakeholder can directly contact the president or the chairman of the Audit Committee without having to go through the Company's management. Through this channel, any employee or stakeholder can express their opinions on business operations and file any complaints which involve action or lack of action causing wrongdoing or violation of the laws, corruption or other matters. The whistleblower can choose not to identify themselves but send the complaints to the following channels.

	Letter	President or Chairman of the Audit Committee 323 Betagro Tower, Vibhavadi Rangsit Road, Thung Song Hong, Laksi, Bangkok 10210
	Telephone	02-833-8329
	E-mail	whistleblowing@betagro.com

The complete version of the Anti-Corruption Policy appears in Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Anti-Corruption Policy”.

6.2 Business Ethics

Betagro realizes the importance of sustainable and ethical business operations. Therefore, it has developed the Betagro Code of Ethics as guidelines for the Group's employees to follow and for use as performance standards with its customers, partners and stakeholders. The principles of Betagro Code of Conduct are as follows:

6.2.1 Human Rights and Labor

All persons are treated equally with respect and honor. Staff are treated in compliance with the labor laws, standards and requirements in order to uplift the labor management standard and create an effective management system.

6.2.2 Safety, Health and Environment

Betagro puts priority on the environment, health and safety, and this includes food safety. It pays attention to and takes care of the environment across all business groups and ensures safety throughout all of its operating steps. In addition, the Company is committed to improving the production process and technology continually to deliver food with high quality and safety “for life quality” of its consumers.

6.2.3 Business Conduct

Betagro's business is operated with accuracy, honesty and auditability, as well as in compliance with related laws and social ethics. In its operations, the Company adheres to integrity, anti-corruption and conflict of interest prevention. In addition, personal information of employees and persons involved in the operations shall be protected from disclosure or transferred to other persons in violation of their rights based on the law. The Betagro Code of Ethics also covers political activities, disclosure of information and communication, business transactions and fair trade.

The complete version of Betagro Code of Ethics appears in Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Betagro Code of Ethics”.

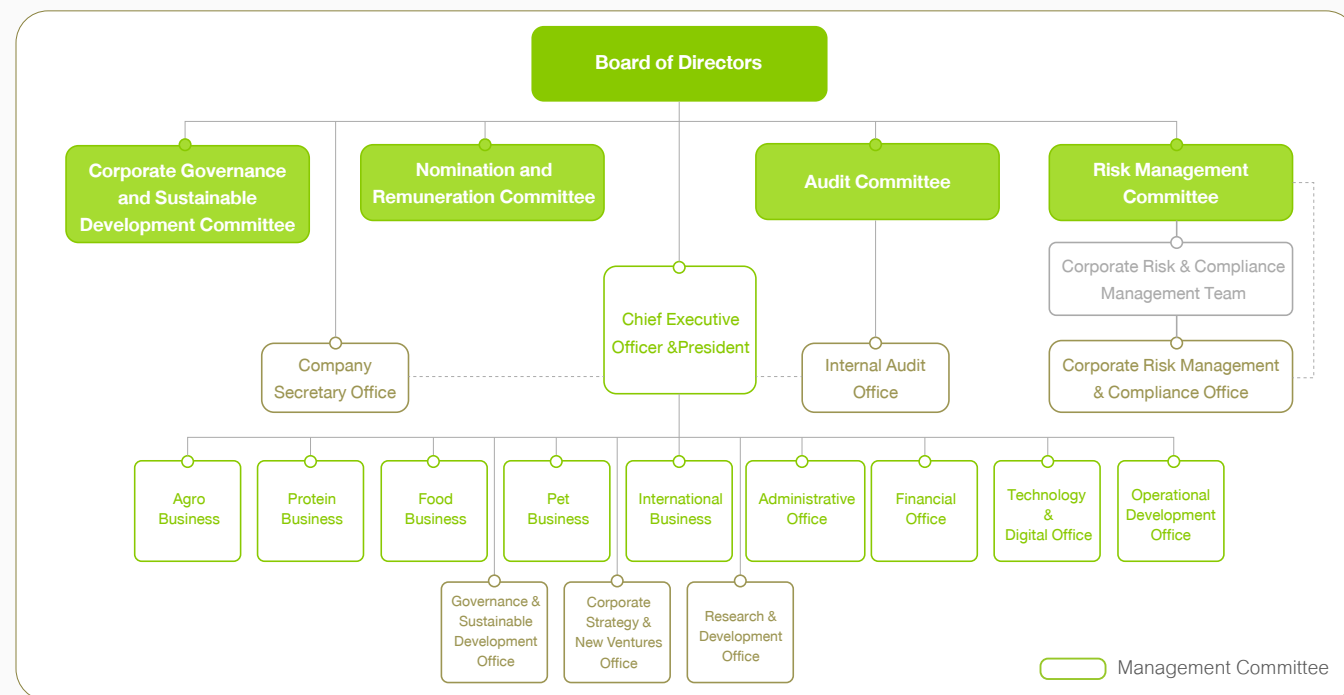
6.3 Major Changes and Developments in Corporate Governance Policy, Code of Conduct and System

The Board of Directors has improved the Company's policies and Code of Conduct to align with the Corporate Governance Principles for Registered Companies 2017. Consideration, review and audit of Betagro's policies, operating plans, business strategies and annual budgets are conducted at least once a year, combined with the appropriate and safe use of innovation and technology. Together, these will enable Betagro to efficiently cope with the changing economy, marketing and competitive conditions.

7. Corporate Governance Structure and Important Information regarding the Board of Directors, Sub-Committees, Executives, Employees and Others

7.1 Corporate Governance Structure

As at 31 December 2022, Betagro's corporate governance structure consisted of the Board of Directors and four Sub-Committees: (1) Audit Committee, (2) Risk Management Committee, (3) Nomination and Remuneration Committee, and (4) Corporate Governance and Sustainable Development Committee.



Remark: means executives as defined in the Notification of the Securities and Exchange Commission No. KorChor. 17/2551 on the Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities (as amended).

7.2 Information regarding the Board of Directors

7.2.1 Board of Directors' Composition

The Board of Directors plays an important role in generating business value and investment returns for shareholders. Its main duties are divided into two areas:



- 1 Set the Company's directions, policies and strategies to ensure that it will be able to operate in a manner that will create maximum benefits for shareholders based on social responsibility and consideration of environmental impact



- 2 Monitor the Management's work in auditing, supervising and being responsible for the Company's performance for the shareholders.

The Board of Directors is responsible for establishing the structure, size and components of the Board and the Company's business operations. It is authorized to appoint and specify the scope of authority, duties and responsibilities of the president, top management and other sub-committees as deemed appropriate. The board also supervises and ensures that the president, top management and various sub-committees perform their assigned duties.

As at 31 December 2022, the Board of Directors consisted of 11 directors as specified by the related laws and the Company's Articles of Association. Out of these 11 directors, three were directors who are executives according to the definition announced by the Securities and Exchange Commission No. KorChor. 17/2551 on the Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities (as amended). In addition, at least one-third of the total 11 directors shall be independent directors. Therefore, there were five independent directors on the Board with the qualifications specified by the related laws and regulations. Furthermore, the structure and composition of the Board of Directors reflected variety in skills, expertise, genders and ages.

The information and details related to the Company's Board of Directors appear in Appendix 1 (Details related to Directors, Executives, Controlling Persons, Persons Assigned with the Highest Responsibility for Accounting and Finance, Persons Assigned with Direct Accounting Supervision Responsibility, and Company Secretary).

7.2.2 Information on the Board of Directors and Individual Authorized Persons

7.2.2.1 Information on the Board of Directors

As at 31 December 2022, the Board of Directors comprised 11 directors as follows:

Director	Position
1. Mr. Boontuck Wungcharoen	Chairman and Independent Director
2. Mr. Winid Silamongkol ⁽¹⁾	Independent Director / Chairman of the Audit Committee / Member of the Corporate Governance and Sustainable Development Committee
3. Dr. Thaweesak Koanantakool	Independent Director / Chairman of the Corporate Governance and Sustainable Development Committee / Member of the Audit Committee
4. Mrs. Tongurai Limpiti ⁽¹⁾	Independent Director / Chairman of the Risk Management Committee / Member of the Audit Committee / Member of the Nomination and Remuneration Committee
5. Mr. Rapee Sucharitakul	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Risk Management Committee
6. Mr. Vanus Taepaisitphongse	Director / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainable Development Committee
7. Mr. Vasiit Taepaisitphongse ⁽²⁾	Director / Member of the Corporate Governance and Sustainable Development Committee
8. Ms. Thanomvong Taepaisitphongse ⁽²⁾	Director / Member of the Nomination and Remuneration Committee
9. Mrs. Siriwan Intarakumthornchai ⁽²⁾	Director / Member of the Risk Management Committee
10. Ms. Piyaporn Taepaisitphongse	Director
11. Dr. Premratn Taephaisitphongse	Director

Remark:

(1) Audit Committee Directors with sufficient knowledge and experience to audit the reliability of the Company's financial statements.

(2) Directors who are executives.

Authorized Signatory Directors of the Company

Two of these six directors jointly sign and affix the Company's seal.

1. **Mr. Vanus Taepaisitphongse**
2. **Mr. Vasit Taepaisitphongse**
3. **Ms. Thanomvong Taepaisitphongse**
4. **Mrs. Siriwan Intarakumthornchai**
5. **Ms. Piyaporn Taepaisitphongse**
6. **Dr. Premratn Taephaisitphongse**

Company Secretary

Ms. Luxsamee Vongsarakit was the Company Secretary as appointed by the Board of Directors' Meeting No. 3/2021 on 27 July 2021 and effective on 27 July 2021. Ms. Luxsamee Vongsarakit completed the Company Secretary Program, Group 73/2016 organized by the Thai Institute of Directors (IOD).

Information and details related to the Company's Board of Directors appears in Appendix 1 (Details related to Directors, Executives, Controlling Persons, Persons Assigned with the Highest Responsibility for Accounting and Finance, Persons Assigned with Direct Accounting Supervision Responsibility, and Company Secretary).

7.2.2.2 Information on Controlling Persons

- None -

7.2.3 Information on the Board of Directors'

Roles and Duties

7.2.3.1 Scope, Authority and Responsibilities of the Board of Directors

The Board of Directors' authority, duties and responsibilities are specified by the Public Limited Company Act B.E. 2535 (1992) (including the additional revision), the Securities and Stock Market Act B.E. 2535 (1992) (including the additional

revision) and the related laws and criteria. According to the laws and Company's Articles of Association, the Board of Directors is authorized to make decisions and supervise various operational matters – except for those which need approval from the shareholders' meetings before implementation as specified by the laws or the Company's Articles of Association.

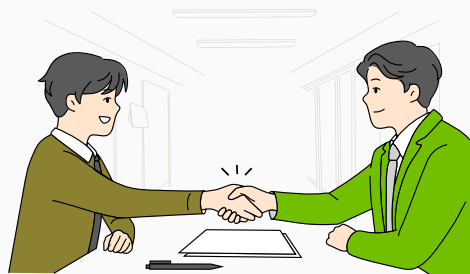
In addition, the Board of Directors' Meeting No. 2/2022 held on 22 February 2022 specified the scope, authority and responsibilities of the Board of Directors in the Board of Directors Charter. Overall important details related to corporate governance can be summarized as follows:

- 1 Perform duties with responsibility and care as responsible people who operate similar business would do under the same circumstances, and with honesty, mainly to maintain maximum benefits for the Company, its subsidiaries and shareholders. The Board of Directors also supervises the Company's and its subsidiaries' operations to be in line with the relevant laws, its objectives and Articles of Association as well as the shareholders' meeting resolutions. In addition, the Board's duty is to ensure that the Company and its subsidiaries comply with the various policies and laws related to the Company's and its subsidiaries' business operations.



- 2 Consider, review, audit and approve Betagro's business policies, goals, operating plans, directions, business strategies and annual budget prepared by top executives at least once a year to cope with the changing economic, marketing and competitive conditions. At the same time, innovation and technology are utilized appropriately and safely.
- 3 Consider and approve the Company's and its subsidiaries' operations as specified by the laws, Articles of Association and directions of each company.
- 4 Continually monitor the Company's and its subsidiaries operations based on their goals, guidelines, policies, operating plans and budget as well as regularly conduct performance evaluation of top executives and set succession planning at least once a year.
- 5 Consider and approve the expenditure framework for the Company's and its subsidiaries' operations and investments, as well as the Delegation of Authority.

- 6 Ensure that there is a written corporate governance policy for the Company and its subsidiaries based on the Corporate Governance Code. Ensure that it is communicated to all staff within the Company for serious and efficient compliance. This will ensure that the Company and its subsidiaries exercise their responsibilities for all groups of stakeholders with fairness.
- 7 Consider, set and amend the policy as well as ensure that there is an efficient support system to fight corruption so that all Company employees understand and recognize the importance of anti-corruption and mold it into the corporate culture. The Board also provides advice and ensures compliance with the Corporate Governance Policy and Betagro Code of Ethics, as well as anti-corruption policies and measures.
- 8 Ensure that there is a written Code of Ethics and Business Ethics to set operating standards for the Company's directors, executives and staff as well as ensure serious compliance with this Code.
- 9 Consider, set and amend the change in the Company's authorized signatory directors.



7.2.3.2 Scope, Authority and Responsibilities of the Chairman of the Board of Directors

The duties of the Chairman of the Board of Directors are specified in the Public Limited Company Act. In addition, the Board of Directors' Meeting No. 2/2022 held on 22 February 2022 specified the scope, authority and responsibilities of the Chairman of the Board of Directors in the Board of Directors Charter. The Chairman's role is to be the leader of the Board of Directors, and the duties of the Chairman cover at least the following areas:

- 1 Supervise, monitor and ensure that the performance of the Board of Directors is efficient and achieves the Company's main objectives and goals.
- 2 Ensure that all directors participate in promoting a corporate culture of ethics and good governance.
- 3 Set agenda for the Board of Directors' meetings by discussing with the president and set measures to ensure that important matters are contained in the meeting agenda.
- 4 Allocate sufficient time for the management to propose matters and for all directors to discuss important matters thoroughly. Also encourage directors to use their careful judgment and express their opinions freely.

- 5 Strengthen good relationships between directors who are executives and those who aren't, and between the Board of Directors and the Management.

7.3 Information regarding the Sub-Committees

As at 31 December 2022, Betagro had 4 Sub-Committees:

- (1) Audit Committee
- (2) Risk Management Committee
- (3) Nomination and Remuneration Committee
- (4) Corporate Governance and Sustainable Development Committee.

Each sub-committee has its own charter which was approved by the Board of Directors and which specified the objectives, components, qualifications, authority and responsibilities, appointment and term of office, meetings, and performance evaluation as well as skills development and training. The charter was set for review as deemed appropriate, and the sub-committees have to report their performance to the Board of Directors for information.

7.3.1 Scope, Authority and Responsibilities of the Audit Committee

7.3.1.1 Scope, Duties and Responsibilities of Sub-Committees

The Board of Directors' Meeting No. 2/2022 held on 22 February

2022 specified the scope, authority and responsibilities of the Audit Committee. Details can be summarized as follows:



- 1 Audit to ensure the Company's compliance with the laws and regulations of the Securities and Stock Exchange, announcements, rules, and/or regulations related to the Securities and Exchange Committee, the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Market of Thailand and/or the laws related to the Company's and its subsidiaries' business. In addition, audit to ensure that the Company and its subsidiaries conform to the Corporate Governance Criteria and Policy, and also audit the management of the Company and its subsidiaries.
- 2 Request information from the Company and its subsidiaries' various units to support additional consideration of various matters and invite persons involved such as directors, management, executives, Legal Department, external legal advisors or staff of the Company and/or other persons involved to attend meetings in order to discuss or explain information. Also distribute and give related information based on business operation as per the scope of authority assigned by the Board of Directors.
- 3 Report on the Audit Committee's activities or other duties assigned by the Board of Directors to the Board of Directors, and disclose them in the annual report. The Audit Committee's report is important to the Board of Directors, shareholders and general investors as it presents the Committee's opinions freely and straightforwardly. This ensures the Board of Directors determines that the Management has managed operations carefully with consideration to all shareholders equally.
- 4 Ensure that there is a unit to receive complaints and clearly specify channels for such complaints including mail or e-mail. The said unit shall report the results of the complaint audit to the Audit Committee.
- 5 Audit the accuracy of self-evaluation on anti-corruption measures and audit the Company's Anti-Corruption Policy.
- 6 Perform other work as specified by the laws or to be specified in the future or as assigned by the Board of Directors with the consent of the Audit Committee.
- 7 Audit to ensure the Company has appropriate and efficient internal control and internal audit systems, as well as audit and approve the evaluation form for sufficient internal control system.

- 8 The Audit Committee should organize meetings to review related financial statements and reports, accounting principles and practices, performance based on accounting standards, business existence, major accounting policy changes, and Management's reasons for setting an accounting policy before presenting them to the Board of Directors for dissemination to shareholders and general investors.
- 9 Audit to ensure that the Company has accurate and sufficient financial reporting based on financial reporting standards by coordinating with external auditors and executives responsible for preparing quarterly and yearly financial reports. The Audit Committee may recommend the auditors to audit or investigate any transactions which it believes important and necessary the during the Company's accounting audit.
- 10 Consider, select and propose the appointment of persons who are independent to perform the duties of auditors for the Company and propose compensation for the said persons. Also attend meetings with the auditors without the Management's presence at least once a year to be informed about the results of the quarterly and yearly financial statement audit, as well as to discuss matters related to problems and obstacles which the auditors may have encountered during the audit.

- 11 Conduct the audit and report initial results to the Securities and Exchange Commission and the auditors in case the Audit Committee receives a report from the auditor on an incident which leads to a doubt that a director, manager or any person responsible for the Company's operation has violated the Securities and Stock Exchange laws.
- 12 Review and comment on inter-party transactions, related parties transactions or any transactions which may have conflicts of interest, as well as review requirements and cancel any transactions which are different from the requirements regarding the cancellation of transactions considered before conducting such transactions. Also review the Company's and its subsidiaries' acquisition or disposition transactions to ensure they abide by the relevant laws, announcements, requirements and/or regulations related to the Securities and Exchange Commission, the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand, to ensure that such transactions are reasonable and bring maximum benefits for the Company. If the Audit Committee is not experienced in reviewing and commenting on inter-parties transactions, related parties transactions or any transactions which may have possible conflicts of interest or any other transactions, the Company shall provide independent experts or its auditors to give comments on such

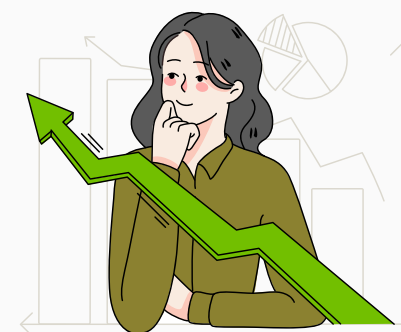
transactions or any other transactions for use in the consideration and/or decision making of the Audit Committee.

Information and details related to the scope, authority and responsibilities of the Audit Committee appears in Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct, and Betagro Code of Ethics) – "Audit Committee Charter".

7.3.1.2 Scope, Authority and Responsibilities of the Risk Management Committee

The Board of Directors' Meeting No. 2/2022 held on 22 February 2022 specified the scope, authority and responsibilities of the Risk Management Committee. Details are summarized as follows:

- 1 Consider, audit and propose a risk management policy and framework to the Board of Directors for consideration and approval.



2 Audit, evaluate risk management and monitor the results of risk management matters proposed by the risk management unit. These matters include:

(a) Identification of the Company's major risks and risk appetite with consideration to both external and internal factors which may impact the Company. These major risks include strategic risks, operational risks, financial risks, compliance risks and information technology risks.

(b) Ensuring that the risk management policy which covers the entire organization is in line with the objectives, goals, principles, strategies and risk appetites of the business, and that it is used by everyone in the organization as an operating framework for risk management. The Risk Management Committee should propose the Board of Directors to review the policy regularly.

(c) Assessment of impact and chances of identified risks to occur in order to manage risks and specify operating steps, as well as set appropriate risk management measures by choosing the following risk management methods: take, treat, terminate or transfer risks.

(d) Audit of major risk and risk management measurement reports.

(e) Audit of risk management assessment and performance reports to reduce risks.

3 Monitor and evaluate risk management performance and report to the Board of Directors about risks and major risk management regularly.

4 Give advice and consultation to risk management units and/or working committees related to risk management, as well as consider appropriate guidelines for correcting information on risk management system development.

5 Prepare staff or internal units to perform the duties and be responsible for developing and auditing risk management system efficiency to support the work of the Risk Management Committee, as well as prepare reports on risk management for the Board of Directors or disclosure in the annual report (depending on the case).

6 Provide advisors or persons with independent opinions to give comments or advice as necessary.

7 Perform other duties related to risk management as assigned by the Board of Directors.

Information and details related to the scope, authority and responsibilities of the Risk Management Committee appears in Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct, and Betagro Code of Ethics) – "Risk Management Committee Charter".

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

The Board of Directors' Meeting No. 2/2022 held on 22 February 2022 specified the scope, authority and responsibilities of the Nomination and Numeration Committee. Details are summarized as follows:

General Duties of the Nomination and Remuneration Committee

- 1 Perform duties assigned by the Board of Directors
- 2 Review and propose to the Board of Directors to consider the amendment of scope, authority and responsibilities of the Nomination and Numeration Committee
- 3 Request independent opinions from professional consultants as necessary so that the Nomination and Remuneration Committee can perform its work as specified in the Charter efficiently with the Company's expense. The employment of such persons shall be according to the Company's Code of Conduct.
- 4 Prepare reports to disclose at least the following information in the annual report:
 - (a) Disclosure of information on individual directors' remuneration and their meeting attendance records during the past year.

- (b) Information on the Nomination and Remuneration Committee such as names, number of committee members, attendance records and the summarized contents of this Charter.

Nomination

- 5 Review the structure, size and components of the Board of Directors, various sub-committees and top management to ensure that they are suitable for the organization and operating circumstances. Also review the qualifications of the Company's directors, sub-committee directors, president and top executives with regard to their knowledge, skills, experience and specific expertise applicable to the Company's related types of business, as well as their integrity. Also audit such persons' qualifications based on the laws and requirements of the supervising bodies.
- 6 Recruit and propose to the Board of Directors with the consent of the Shareholders' Meeting to appoint the Board of Directors without discrimination on gender, nationality, religion, age, professional skill or other specific qualifications, but with consideration to diversity in the structure of the Board. Also disclose the following information:
 - (a) Board Diversity Policy
 - (b) Measurable goals or objectives

- 7 Consider and set nomination criteria and procedure for president, sub-committee directors and top executives by recruiting and screening appropriately qualified persons with knowledge, experience and expertise, as well as presenting the information to the Board of director for further appointment.
- 8 Review the nomination criteria and method for the Board of Directors and sub-committee directors for presentation to the Board of Directors before recruiting persons to replace those who complete their office term. In case the Nomination and Remuneration Committee nominates the previous directors, the performance of such persons should also be considered.
- 9 Consider the independence and the qualifications of each independent director to ensure that the Company's independent directors possess all the qualifications based on the specified criteria and/or related laws
- 10 Consider the succession plan for the president and top executives, as well as supervise the plan preparation and review such plan to ensure the Company's uninterrupted business operation

Remuneration

11 Committee

Consider and set guidelines for payment of monetary and non-monetary compensation for both short term (salary, welfare, bonus) and long term as well as other benefits to the Company's directors and sub-committee directors. The compensation shall be fair based on related laws and in line with the experience, mission, duties, responsibilities and qualifications of the appointed or employed persons, and in accordance with the Company's long-term strategies and goals. The Committee shall present the information to the Board of Directors' meeting and/or at the shareholders' meeting for consideration and approval, and shall consider and review such criteria regularly. The compensation for the Company's directors and sub-committee directors should be in the following forms:

- (a) Retainer fee such as monthly fee and annual fee, and the three factors below should be considered:
 - Existing practice by other companies in the same industry
 - The Company's business results and its size, and
 - Directors' responsibilities, knowledge, ability and experience required by the Company

- (b) Compensation based on the Company's performance (incentive) should connect with the values created by the Company for its shareholders such as its profit or dividend paid to the shareholders. The compensation in this part to directors should not be at an inappropriately high level.
- (c) Attendance fee which directors may receive in addition to the regular compensation and the compensation based on the Company's performance. The Nomination and Remuneration Committee should consider paying this fee at an appropriate level in order to motivate directors to perform their duties by regularly attending meetings. While considering directors' overall compensation, the Nomination and Remuneration Committee should consider appropriate and sufficient compensation that will limit the number of directors so that they will have enough time to attend meetings and fully perform their duties as directors for the Company.

12 President

Consider and set guidelines for payment of monetary and non-monetary compensation for both short term (salary, welfare, bonus) and long term as well as other benefits to the president, as well as propose them to the Board of Directors' meeting for consideration and approval, and review such criteria regularly.

13 Management Committee

Consider and set compensation payment policy framework for both short term (salary, welfare, bonus) and long term for top executives which is suitable for their responsibilities and is competitive with the existing practice in the industry and the benefits expected to receive by the Company. The Management is responsible for considering details of the compensation.

Knowledge Development and Performance Evaluation

- 14 Consider making and reviewing the development plan for Company's directors, sub-committee directors, president and top executives to strengthen the knowledge and skills of various committees. The plan shall be in line with the Company's business, circumstance and create understanding of the roles and duties of directors, business, economic condition, technology, laws or criteria related to the Company's business. In case of new directors, supervise the organization of orientation and distribution of documents and information useful for directors to perform their work.

- 15 Recommend evaluation methods and conduct performance evaluation of Company's directors, president, various sub-committees and top executives, and review them regularly every year. Also monitor and summarize

evaluation results for the Board of Directors' information and use in improving operating efficiency and enhancing Company's directors' knowledge and ability.

Information and details related to the scope, authority and responsibilities of the Nomination and Remuneration Committee appears in Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – "Nomination and Remuneration Committee Charter".

7.3.1.4 Authority and Responsibilities of Corporate Governance and Sustainable Development Committee

The Board of Directors' Meeting No. 2/2022 held on 22 February 2022 specified the scope, authority and responsibilities of the Corporate Governance and Sustainable Development Committee. Details are summarized as follows:

- 1 Specify the corporate governance scope and policy for presentation to the Board of Directors regularly with emphasis on creating sustainable values for business and ensuring at least the following governance outcomes:



- 1 Specify the corporate governance scope and policy for presentation to the Board of Directors regularly with emphasis on creating sustainable values for business and ensuring at least the following governance outcomes:
 - (a) Competitiveness and good performance with consideration to long-term impact.
 - (b) Ethical business operation, respect for rights and responsibilities for shareholders and stakeholders.
 - (c) Benefits to society and development or reduction in negative environmental impact.
 - (d) Ability to adapt to a changing environment.
- 2 Recommend Code of Conduct and give advice to the Board of Directors regarding corporate governance.
- 3 Monitor the performance of the Board of Directors and management based on compliance with the Corporate Governance Policy by operating business with social and environmental responsibilities to ensure all departments operate business in line with the Company's objectives, major goals and business strategies. Also monitor and ensure that all Company's directors and executives perform their duties with responsibility, care and integrity to the organization.
- 4 Consider and review the Corporate Governance Code of Conduct to ensure that it is appropriate for business operation and in line with international codes of conduct and the Stock Exchange of Thailand. Also, recommend the Board of Directors to consider its improvement continually with emphasis on environment in the entire supply chain and the Company's operation which will lead to sustainable growth through a concrete Code of Conduct.
- 5 Consider guidelines, policies and disclosure of information related to sustainable development with contents covering Environmental, Social and Governance (ESG) in the Company's annual report.

- 6 Consider guidelines and policy for preparing plans related to sustainability consistent with the GRI Standards to attract investors and increase business confidence.
- 7 Supervise and ensure the Company has important policies such as the Anti-Corruption Policy and encourage communication to everyone in the Company for information and serious compliance.
- 8 Perform other duties as assigned by the Board of Directors.

Information and details related to the scope, authority and responsibilities of the Corporate Governance and Sustainable Development Committee appears in Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – "Corporate Governance and Sustainable Development Committee Charter".

7.3.2 Names of Sub-Committees

7.3.2.1 Audit Committee

As at 31 December 2022, Betagro's Audit Committee comprised three independent directors as follows:

Director	Position	Position on the Board of Directors
1. Mr. Winid Silamongkol	Chairman of the Audit Committee	Independent Director
2. Dr. Thaweesak Koanantakool	Member of the Audit Committee	Independent Director
3. Mrs. Tongurai Limpiti	Member of the Audit Committee	Independent Director

Mr. Winid Silamongkol and Mrs. Tongurai Limpiti are Audit Committee directors with sufficient knowledge and experience to perform their duties in auditing the reliability of the Company's financial statements. Details, qualifications and experience of the three Audit Committee directors appear in Appendix 1 (Details of directors, executives, controlling persons, persons assigned with the highest responsibility for accounting and finance, persons assigned with direct accounting supervision responsibility, and Company Secretary).

Mr. Chaitat Chananonthawat was the secretary of the Audit Committee as appointed by the Company's Audit Committee's Meeting No. 1/2020 held on 18 February 2022.

7.3.2.2 Risk Management Committee

As at 31 December 2022, Betagro's Risk Management Committee consisted of four Risk Management Committee directors as follows:

Director	Position	Position on the Board of Directors
1. Mrs. Tongurai Limpiti	Chairman of the Risk Management Committee	Independent Director
2. Mr. Rapee Sucharitakul	Member of the Risk Management Committee	Independent Director
3. Mr. Vanus Taepaisitphongse	Member of the Risk Management Committee	Director
4. Mrs. Siriwan Intarakumthornchai	Member of the Risk Management Committee	Director

Mr. Praphon Viwattrakool was the secretary of the Risk Management Committee as appointed by the Risk Management Committee's Meeting No. 1/2020 held on 3 February 2022.

Later, the Risk Management Committee's Meeting No. 5/2022 held on 6 October 2022 appointed Mrs. Pornthip Chusuwan as a secretary of the Risk Management Committee instead.

7.3.2.3 Nomination and Remuneration Committee

As at 31 December 2022, the Company's Nomination and Remuneration Committee consisted of three Committee directors as follows:

Director	Position	Position on the Board of Directors
1. Mr. Rapee Sucharitakul	Chairman of the Nomination and Remuneration Committee	Independent Director
2. Mrs. Tongurai Limpiṭi	Member of the Nomination and Remuneration Committee	Independent Director
3. Ms. Thanomvong Taepaisitphongse	Member of the Nomination and Remuneration Committee	Director

Mrs. Daranee Thudsereevibool was the Committee's secretary as appointed by the Nomination and Remuneration Committee's Meeting No. 1/2020 held on 7 February 2022.

7.3.2.4 Corporate Governance and Sustainable Development Committee

As at 31 December 2022, the Corporate Governance and Sustainable Development Committee comprised four Committee directors as follows:

Director	Position	Position on the Board of Directors
1. Dr. Thaweesak Koanantakool	Chairman of the Corporate Governance and Sustainable Development Committee	Independent Director
2. Mr. Winid Silamongkol	Member of the Corporate Governance and Sustainable Development Committee	Independent Director
3. Mr. Vanus Taepaisitphongse	Member of the Corporate Governance and Sustainable Development Committee	Director
4. Mr. Vasiṭ Taepaisitphongse	Member of the Corporate Governance and Sustainable Development Committee	Director

Mr. Pattanakiat Chaisomsukrudee was the Committee's secretary as appointed by the Corporate Governance and Sustainable Development Committee's Meeting No. 1/2022 held on 11 February 2022. Later, the Corporate Governance and Sustainable Development Committee's Meeting No. 2/2022 held on 21 April 2022 appointed Mr. Jakkrin Taepaisitpong as a Secretary of the Corporate Governance and Sustainable Development Committee instead.

7.4 Information regarding Executives

7.4.1 Names of Executives

As at 31 December 2022, there were 10 Company executives as defined in the Notification of the Securities and Exchange Commission No. KorChor. 17/2551 on the Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities (as amended). Their names are as follows:

Management Committee	Position
1. Mr. Vasit Taepaisitphongse	Chief Executive Officer and President
2. Mr. Somsak Boonlarp ⁽¹⁾	Chief Operating Officer Agro Business
3. Mr. Trirat Thongplod	Chief Operating Officer Protein Business
4. Dr. Oliver Gottschall	Chief Operating Officer Food Business
5. Mr. Somcharn Suphapitiporn	Chief Operating Officer Pet Business
6. Mr. Worrawut Vanitkulbodee	Chief Operating Officer International Business
7. Ms. Thanomvong Taepaisitphongse	Chief Administrative Officer
8. Mrs. Siriwan Intarakumthornchai	Chief Financial Officer
9. Mr. Tependra Lohumi	Chief Technology Digital Officer
10. Mr. Chartchai Leukulwatanachai	Chief Operational Development Officer

Remark:

(1) The Board of Directors' Meeting No. 14/2022 held on 12 December 2022 approved the appointment of Mr. Taweekiat Kukiattrat as a Chief Operating Officer Agro Business replacing Mr. Somsak Boonlarp who had resigned, effective on 1 January 2023.

Information and details related to the Company's executives appear in Appendix 1 (Details of Directors, Executives, Controlling Persons, Persons Assigned with the Highest Accounting and Finance Responsibility, Persons Assigned with Direct Accounting Supervision Responsibility, and Company Secretary).

7.4.2 Executives' Authority, Duties and Responsibilities

Executives' authority, duties and responsibilities are as follows:

- 1 Perform their duties with responsibilities and care as competent business operators would do under the same circumstances, and with integrity mainly to maintain maximum benefits for the Company, its subsidiaries and shareholders. They are also responsible for supervising the Company's and its subsidiaries' operations to ensure compliance with the laws, the Company's objectives and Articles of Association, as well as the shareholders' meeting resolutions. In addition, their duty is to supervise the Company and its subsidiaries to abide by the Company's and its subsidiaries' policies and various laws related to the Company's and its subsidiaries' operations.
- 2 Set the Company's and its subsidiaries' business policies, goals, operating plans, directions, business strategies and annual budget and present them to the Board of Directors for consideration and implementation based on the approval of the Board of Directors. Also monitor such performance to ensure efficiency. In case situations change, top executives shall consider and review the vision, strategies, policies, goals, operating plans, management structure and approval authority approved earlier at least once a year and make sure they are suitable for such situations.
- 3 Consider various matters related to top executives' authority, duties and responsibilities as well as matters to be proposed to the Board of Directors for further consideration except for those matters under direct duty and responsibility and/or authority of other committees.
- 4 Supervise the Company's and its subsidiaries' business operations and management as well as monitor performance and financial status of the Company, its subsidiaries and associated companies to ensure efficiency and compliance with the policies specified by the Board of Directors. Performance reporting shall be made and sent to the Board of Directors within the specified period.
- 5 Consider and approve the Company's and its subsidiaries' normal business transactions and normal business support transactions with general trading terms and conditions within the budget approved by the Board of Directors or as approved in principle by the Board of Directors. All these shall be based on the rules and criteria of the Securities and Exchange Committee, the Capital Market Supervisory Board, the Securities and Exchange Commission and/or the Stock Exchange of Thailand regarding related parties' transactions, assets acquisition or disposition transactions and the Delegation of Authority specified for the Board of Directors.
- 6 Appoint, supervise, coordinate and specify the authority and duties of an ad-hoc committee or management committee as well as consider and approve various proposals submitted by the ad-hoc committee or management committee.
- 7 Approve the appointment of consultants for different areas necessary for the Company's operation within the budget approved by the Board of Directors.
- 8 Perform other duties assigned by the Board of Directors or according to the policy specified by the Board of Directors.

7.4.3 Authority, Duties and Responsibilities of the Chief Executive Officer and President

The Chief Executive Officer and President is assigned by the Board of Directors to be responsible for the Company's normal business operation by managing work according to the plans and budgets approved by the Board of Directors strictly with integrity and honesty while maintaining maximum benefits for the Company and its shareholders. The CEO and President shall not take any action having interests or conflicts of interests with the Company, its subsidiaries and associated companies. The President's major authority is to invest in normal operating assets and projects according to the budget approved by the Board of Directors at no more than THB2 billion, and investment in normal operating assets and projects not in line with the budget approved by the Board of Directors at no more than THB100 million. Such large-scale transactions shall be considered and approved by the Management Committee comprising all executives, the Board of Directors and/or the Shareholders' Meeting based on the Company's Delegation of Authority and related laws.

7.4.4 Executives' Remuneration Policy and Method

The remuneration policy and method shall be considered appropriately for the position, duties and responsibilities comparable to the existing industry practice with consideration to the benefits the Company expects to receive. Annual performance shall also be considered based on goals, key indicators for corporate, business and unit levels, operating plans and compliance with the Company's culture set jointly with top executives.

Executives who are staff with a monthly salary shall receive monthly compensation as Company Directors and compensation for the position held in the sub-committee, but shall not receive attendance fee.

7.4.5 Executives' Remuneration

7.4.5.1 Monetary Remuneration

For the accounting period ended 31 December 2022, the Company and its subsidiaries paid a total of THB144.62 million in compensation to ten Company executives in the form of salary, bonus and other compensations including various types of welfare.

7.4.5.2 Other Remuneration

Other remuneration that the Company paid to the executives included provident fund which the Company contributed at the rate of 3-10 percent based on years of service. For the accounting period ending on 31 December 2022, the total provident fund contributions for executives amounted to THB4.51 million.



7.4.5.3 Pending Remuneration or Benefits

- None -



7.5 Information regarding Employees

7.5.1 Number of Employees

For the accounting period ended 31 December 2022, the Company and its subsidiaries had a total of 33,652 staff divided into 33,618 regular staff and 34 temporary staff¹. The table below shows details of the total staff divided according to their line of work for the specified period:

Business	Number of employees (person)		
	As at December 31, 2020	As at December 31, 2021	As at December 31, 2022
Agro Business	2,905	2,831	2,875
Food and Protein Business	28,123	27,122	28,786
Pet Business	291	286	287
International Business	631	698	720
Support Group	1,071	962	984
Total	33,021	31,899	33,652

7.5.2 Significant Change in Personnel Number during the Past 3 Years

- None -

7.5.3 Employee Remuneration

For the accounting period ended 31 December 2022, the Company and its subsidiaries paid THB8,945.8 million² in

compensation to the staff with monthly salary. This covered monetary compensation (both monthly and daily) such as wages, bonus and other compensations including performance motivation, provident fund contribution, social security fund contribution and the Retirement Benefits Project.

For the year ended 31 December 2022, staff's compensation and welfare equaled to 11.0 percent³ of the Company's total expenses (excluding profit/loss from the exchange rate).

7.5.4 Provident Fund

Currently, the Company has a provident fund managed by Kasikorn Asset Management Co., Ltd. under the name of "K Master Pool Fund" registered with the Securities and Exchange Commission. As at 31 December 2022, the Company's staff joining this program were as follows:

Remark:

(1) The number of employees includes employees of TAB and ABS which are joint venture companies in the Audited Consolidated Financial Statements but are deemed subsidiaries under the Thai SEC Act.

(2) Employee remuneration includes employees of TAB and ABS which are joint venture companies in the Audited Consolidated Financial Statements but are deemed subsidiaries under the Thai SEC Act.

(3) Employee remuneration rate is calculated from employee expenses according to the Company's Consolidated Financial Statements divided by total expenses of the Company (excluding profit/loss from the exchange rate).

Name of the Company / Subsidiary	Number of employees joining provident fund (person)	Proportion of employees joining provident fund to Total number of employees (%)
1. Betagro Public Company Limited	1,792	69%
2. Betagro Agro Industry Company Limited	6,026	44%
3. B. Foods Product International Company Limited	2,037	26%
4. Better Foods Company Limited	1,771	33%
5. Better Pharma Company Limited	369	68%
6. Betagro Science Center Company Limited	224	76%
7. Pet Focus Company Limited	194	66%
8. Betagro MF Deli Company Limited	180	39%
9. Thai SPF Products Company Limited	134	50%
10. Anitech Total Solution Company Limited	-	-
11. B. International and Technology Company Limited	51	84%
12. Protech Animal Health Company Limited	-	-
13. Betagro – Dainippon Techno-Ex Company Limited	40	56%
14. Betagro Group Human Resources Development Center Company Limited	3	60%
15. Ajinomoto Betagro Frozen Foods (Thailand) Company Limited	257	23%
16. Ajinomoto Betagro Specialty Foods Company Limited	56	26%
Total	13,134	40%

The Company encouraged its Provident Fund Committee to abide by the Investment Governance Code (“I Code”) and as the provident fund is considered staff’s retirement savings fund, the Company therefore supported the Provident Fund Committee to select a fund manager who complies with the I Code and manages the fund responsibly with consideration to environment, social and governance factors based on the ESG Principles for maximum long-term benefits of the fund’s members.

7.5.5 Significant Labor Disputes during the Past 3 Years

- None -

7.6 Other Important Information

7.6.1 Person Assigned with Direct Accounting Supervision Responsibility

Mr. Somyos Sakulitsariyaporn is the Company’s Vice President, Central Accounting Office, responsible for the Company’s direct accounting control and supervision. His duties covered the supervision of the Company’s accounting transactions to ensure efficiency and compliance with various regulations, requirements and criteria of the Company and accounting standards.

Information and details of the assigned person with direct accounting supervision responsibility appears in Appendix 1 (Details of Directors, Executives, Controlling

Persons, Persons Assigned with the Highest Accounting Responsibility, Persons Assigned with Direct Accounting Supervision Responsibility, and Company Secretary).

7.6.2 Company Secretary

The Board of Directors' Meeting No. 3/2021 held on 27 July 2021 appointed Ms. Luxsamee Vongsarakit as Company Secretary in line with Section No. 89/15 of the Securities Act and specified the scope, duties and responsibilities of the Company Secretary, details of which appeared in Appendix 5 (A complete version of Corporate Governance Policy and Code of Conduct and a complete version of Betagro Code of Ethics) – "Scope, Duties and Responsibilities of Company Secretary".

Information and details of the person who holds the position of Company Secretary appears in Appendix 1 (Details of Directors, Executives, Controlling Persons, Persons Assigned with the Highest Accounting Responsibility, Persons Assigned with Direct Accounting Supervision Responsibility, and Company Secretary).

7.6.3 Head of Internal Control Unit

Mr. Chaitat Chananonthawat, holding the position of Vice President, is the Head of Internal Control Unit as appointed by the Audit Committee's Meeting No. 1/2022 held on 18 February 2022.

Mr. Chaitat Chananonthawat is equipped with knowledge to

Remark:

(4) Excluding TAB and ABS which are joint venture companies in the audited consolidated financial statements of the Company.

perform his duties for the Company, good corporate governance principles, risk assessment and internal control at the business and overall levels. The qualifications of a person holding the position of the Head of Internal Control Unit appears in Appendix 3 – "Details of the Head of Internal Control Unit and the Head of Corporate Compliance Unit".

7.6.4 Head of Corporate Compliance Unit

Mrs. Pornthip Chusuwan, Vice President of the Risk Management and Compliance Office, was appointed as the Head of Corporate Compliance Unit by the Board of Directors' Meeting No. 8/2022 held on 9 August 2022.

Mrs. Pornthip Chusuwan is equipped with knowledge to perform her duties for the Company. The qualifications of a person holding the position of the Head of Corporate Compliance Unit appears in Appendix 3 – "Details of the Head of Internal Control Unit and the Head of Corporate Compliance Unit".

7.6.5 Investor Relations

The Company set up an Investor Relations Department and appointed Mr. Vorapoj Hongpinyo as a Director of the Department which acts as a center for disclosing important information including financial information to shareholders and investors.

The Investor Relations Department can be contacted by:



Telephone: 02-146-1666



Email: ir@betagro.com

7.6.6 Auditor's Compensation

7.6.6.1 Audit Fee

For the accounting period ended 31 December 2022, the Company's 2022 Annual General Meeting of Shareholders (27th Meeting) held on 28 April 2022 appointed Ms. Pornthip Rimdusit (Certified Public Account No. 5565), Mr. Watchara Pattarapitak (Certified Public Account No. 6699) and Mr. Piyanat Singkhorn (Certified Public Account No. 11641) – all of whom are certified public accountants from the Securities and Exchange Commission under the supervision of KPMG Phoomchai Audit Limited – to be the Company's auditors and paid an audit fee for the Company and its subsidiaries⁴ of THB16,200,000 to KPMG Phoomchai Audit Company Limited.

7.6.6.2 Non-Audit Fee

For the accounting period ended 31 December 2022, the Company paid a non-audit fee of THB1,886,050 to KPMG Phoomchai Audit Company Limited, the Company's auditor. This fee was a non-audit fee withdrawn for auditors' actual expenses such as transportation fee, overtime fee and expenses for producing financial statement reports.

Persons or companies related to the auditors and the audit office to which the auditors belong are not persons or companies related to the Company based on the accounting standard regarding disclosure of information on related persons or companies.

8. Corporate Governance Report

8.1 Performance Summary of the Board of Directors



The Board of Directors adheres to business operations based on good corporate governance as a foundation for setting policies and strategies. The purpose is to develop and create value for sustainable business as well as build shareholders' confidence in the Company's competitiveness and excellent performance. 2022 was a year filled with various crises impacting both domestic and international economic conditions. These crises included the COVID-19 pandemic, technological changes and the adjustments to consumers' way of life in the digital age. The Board of Directors closely monitored the Company's performance and financial status in order for the Company to operate its business on a continuous basis and be able to adapt itself amidst the various changing factors which may impact its businesses. These included adjustments to business procedures to increase its competitiveness by improving employees' skills and potential combined with the use of technology to develop innovation in the agriculture and food industry. The purpose was to enable the Company to transform into a technology-based operation efficiently.

At the same time, the Board of Directors is committed to operating the business based on the ethics outlined in the Corporate Governance Code. This Code sets and implements strategies in line with the Company's objectives and beliefs which focus

on all parties' values and create sustainable value for business, customers, staff, stakeholders and society in general. The Board of Directors is also responsible for regularly ensuring that the Company has sufficient internal control and efficient risk management systems. The Company also puts priority on financial reporting which is accurate, complete and in line with financial reporting standards for the benefit of corporate development as per the Securities and Exchange Commission's Corporate Governance Code 2017.

8.1.1 Nomination, Development and Assessment of the Board of Directors

8.1.1.1 Independent Directors

Under the Board of Directors' structure, at least one-third of the total number of directors but no fewer than three shall be independent directors. These directors shall be independent from the control of executives and major shareholders, and shall not be involved in or have any interest in the Company's finance and business management. The directors shall also possess all the qualifications specified by related laws, announcements, requirements and/or regulations.

Based on the Board of Directors' Charter, independent directors mean directors who do not perform their duties as executives, are separate from the management and controlling shareholders, and do not have any business relations with the Company in a manner which would limit the expression

of independent opinions. They shall also be able to attend the Board of Directors' meetings, express their opinions independently and possess additional qualifications as per the announcement of the Capital Market Supervisory Board as follows:

- a Hold no more than one percent of the total shares with the right to vote in the Company, its subsidiaries, associated companies, major shareholders or the Company's controlling persons. The shares held by related persons shall also be counted (as per the definition of such word specified in the announcement of the Securities and Exchange Commission regarding the Definition in the Announcement related to Securities Issuance and Offer).
- b Are not or used to be directors participating in business management, employees, advisors who receive monthly salary or controlling persons of the Company, parent company, subsidiaries, associated companies, subsidiaries of the same order, major shareholders or the Company's controlling persons – unless free from such conditions for no less than 2 years before the appointment.
- c Are not persons having blood relationship or through legal registration as fathers, mothers, spouses, siblings and children as well as spouses of the children of other directors, executives, major shareholders, controlling

persons or persons proposed to be directors, executives or controlling persons of the Company and its subsidiaries.

- d Do not have or used to have business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders or controlling persons of the Company in such a way that prevents the use of their own judgment independently. In addition, they shall not be or used to be significant shareholders or controlling persons of the persons having business relationships with the Company, parent company, subsidiaries, associated companies, major shareholders or controlling persons of the Company or juristic persons who may have conflicts except being free from such conditions for no less than 2 years before the appointment.
- e Business relationships as per the first paragraph including conducting normal business transactions to operate rental business or real estate rental, assets transactions or service or giving or receiving financial assistance by receiving or lending, guaranteeing, giving assets as debt collateral, and other similar behaviors resulting in the Company or contract parties having debts to pay to the other party from three percent of the Company's net tangible assets or from 20 million baht up, whichever is lower. The calculation of such debt shall be according to the calculation method of related transactions as announced by the Securities and Exchange Commission

regarding the disclosure of information and operation of registered companies on related transactions mutatis mutandis. However, in such debt consideration, debt incurred during the 1 year before the business relationship with the same person shall be counted.

- f Are not or used to be auditors of the Company, parent company, subsidiaries, associated companies, major shareholders or controlling persons of the Company and not being significant shareholders, controlling persons or partners of the audit office with the auditors working for the Company, parent company, subsidiaries, associated companies, major shareholders or controlling persons of the Company under supervision except being free from such conditions no less than 2 years before the appointment.
- g Are not or used to be professional service providers in any areas including being legal advisors or financial consultants who receive over two million baht per year from the Company, parent company, subsidiaries, associated companies, major shareholders or controlling persons of the Company, as well as are not significant shareholders, controlling persons or partner of those who provide such professional service except being free from such conditions for no less than 2 years before the appointment.

- h Are not directors who are not appointed to represent the Board of Directors, major shareholders or shareholders related to the Company's major shareholders.
- i Do not operate business which has similar conditions and is significantly competitive with the Company's or its subsidiaries' business, or are not significant partners in the partnership or are directors who take part in the management, are employees, staff or advisors with a monthly salary or hold more than one percent of the total shares with the right to vote in other companies operating business with similar conditions and is significantly competitive with the Company's or its subsidiaries' business.
- j Possess no other characteristics which will prevent them from expressing their opinions independently about the Company's operation.

After they are appointed as independent directors with characteristics according to (a) – (j), independent directors may be assigned by the Board of Directors to make decisions on the operation of the Company, parent company, subsidiaries, associated companies, subsidiaries of the same order or major shareholders or the Company's controlling persons by using a collective decision format.

8.1.1.2 Nomination of Directors and Top Executives

The Board of Directors has specified the scope, authority and

responsibilities of the Nomination and Remuneration Committee. The Committee's duties are to consider the criteria and procedure for nominating persons with appropriate qualifications to hold the position of company directors, sub-committee directors, president and top executives of the Company and/or its subsidiaries based on the specified nomination procedure, and to propose its opinions to a Board of Directors' meeting for consideration and appointment, and/or present them to a shareholders' meeting for further appointment.

The Nomination and Remuneration Committee Charter specifies the scope and duties for the nomination and appointment of directors and top executives, details of which can be summarized as follows:

- 1 Consider the structure, size and components of the Board of Directors, various sub-committees and top executives to ensure they are appropriate for the organization and operating environment, as well as review the qualifications of the Board of Directors, sub-committee directors, president and top executives in terms of knowledge, skills, experience and specific expertise beneficial to the Company's business, as well as their integrity. Also examine their qualifications based on the laws and requirements of supervising bodies.
- 2 Nominate and propose to the Board of Directors with

the consent of the shareholders' meeting to appoint the Board of Directors without any discrimination on gender, nationality, religion, age, professional skills or other specific qualifications with consideration to diversity in the Board of Directors' structure and disclosure of information on:

- Board Diversity
- Measurable goals or objectives

- 3 Consider and specify the nomination criteria and procedure for the president, sub-committee directors and top executives by recruiting and screening persons with appropriate qualifications including their knowledge, experience and expertise, as well as propose to the Board of Directors for further appointment.
- 4 Review the nomination criteria and method for the Board of Directors and sub-committee directors and recommend to the Board of Directors before nominating directors to replace those who complete their office term. In case the Nomination and Remuneration Committee proposes the previous directors, their performance should also be considered.
- 5 Consider the independence and qualifications of each independent director to ensure that the Company's independent directors are fully qualified as per the criteria and/or related laws.

- 6 Consider the succession plan for the president and top executives, and supervise the preparation of the plan as well as review it to ensure the Company's uninterrupted operation.

8.1.1.3 Appointment and Termination of Directorship

The Board of Directors Charter approved by the Board of Directors' Meeting No. 2/2022 on 22 February 2022 and the Company's Articles of Association stipulate the directors' appointments and office terms as follows:

- 1 Election of directors shall comply with the Company's Articles of Association and related laws, shall be transparent and clear in the directors' nomination, and shall go through the nomination procedure of the Nomination and Remuneration Committee. Such persons' educational and professional background, their qualifications and absence of prohibited characteristics with sufficient supporting details shall also be considered for the benefit of the Board of Directors' and shareholders' decision making.
- 2 The Board of Directors' term is three years, and once the term is completed, they may be considered for another appointment.
- 3 At every general shareholders' meeting, one-third of the total Company Directors at that time shall resign from

their positions. If the number of directors cannot be divided equally into three parts, the closest number to one-third of directors shall resign. Other details shall be as stipulated in the Company's Articles of Association.

- 4 Apart from such termination based on their office term, directorship may be terminated due to:
 - Death
 - Resignation
 - Lack of Company Directors' qualifications or possessing prohibited characteristics based on the Public Limited Company Law and/or the Securities and Stock Exchange Law
 - The shareholders' meeting's resolution on their termination (with no less than three quarters of the votes of the total shareholders who attend the meeting and have the right to vote)
 - Court's order
- 5 Any company directors who wish to resign from their position shall submit their resignation form to the Company, and the resignation shall be effective on the day the resignation form reaches the Company.
- 6 In case the Company Director's position is vacant due to other reasons besides normal office term termination, the Board of Directors with the recommendations of the Nomination and Remuneration Committee shall appoint a new director to fill the vacant position. Such person who becomes a director shall be in the position only for the remaining period of the director whom he/she replaces.
- 7 Independent directors shall be in the position for no more than 9 years from the date of their first appointment as independent directors. To appoint these independent directors to continue their directorship, the Committee shall consider the necessity with reasons.

The election of the Company's directors shall be held at the shareholders' meeting based on the criteria and methods specified in No. 19 of the Company's Articles of Association. Details are as follows:

- (a) A shareholder's one (1) share is equivalent to one (1) vote.
- (b) In electing directors, methods may be used to elect one individual director or many directors at a time as deemed appropriate by the shareholders' meeting. However, for each resolution shareholders shall cast all their votes according to Item (a), and their votes shall not be split among any particular persons or committees.

(c) In voting to elect directors, majority votes shall be used. In case of equal votes, the meeting chairperson shall cast his/her decisive vote.



1. The Nomination and Remuneration Committee shall consider the performance appraisal forms of the Board of Directors and Sub-Committees in terms of both group performance and individual performance.
2. The Nomination and Remuneration Committee Secretary shall send the performance appraisal forms to the Company Secretary and the Sub-Committee Secretary. Then the secretary shall send the forms to the Board of Directors and Sub-Committees for their consideration in terms of both group performance and individual performance.
3. The Nomination and Remuneration Committee Secretary shall collect and summarize the performance appraisal results as well as present to the Nomination and Remuneration Committee and the Board of Directors.

8.1.1.4 Performance Evaluation and Knowledge Development of the Board of Directors and Sub-Committees

(1) Performance Evaluation of the Board of Directors and Sub-Committees

The Company arranges the performance evaluation of the Board of Directors and Sub-Committees annually at least once a year. The objective is to comply with the principles of listed companies on the Stock Exchange of Thailand and the principles of good corporate governance in order for the committee to collectively evaluate performance and improve working efficiency. Details of the performance evaluation are as follows:

In 2022, performance evaluation of the Board of Directors and Sub-Committees can be summarized as follows:

Committee / Sub-Committee	Group performance appraisal results (%)	Individual performance appraisal results (%)
Board of Directors	95	93
Audit Committee	98	96
Risk Management Committee	100	96
Corporate Governance and Sustainable Development Committee	97	100
Nomination and Remuneration Committee	94	94

(2) Knowledge Development of the Board of Directors and Sub-Committees

In 2022, the Nomination and Remuneration Committee arranged for the Board of Directors to attend the Company Site Visit and study the business of Betagro Public Company Limited for 2 times as follows:

1st Time: Visit the factories to study the production process of cooked products, animal feed and pet food products

2nd Time: Visit the Food Innovation Center (FIC) to study the laboratory and science center services



8.1.2 Meeting Attendance and Remuneration to Individual Directors

8.1.2.1 Meeting Attendance

The meeting attendance of the Board of Directors in 2022 were as follows:

(1) Board of Directors' Meetings

Director	Number of Meeting Attendance/ Total Number of Meetings
	1 Jan – 31 Dec 2022
1. Mr. Boontuck Wungcharoen ⁽¹⁾	14/14
2. Mr. Winid Silamongkol ⁽²⁾	14/14
3. Dr. Thaweesak Koanantakool ⁽¹⁾	14/14
4. Mrs. Tongurai Limpiti ⁽³⁾	14/14
5. Mr. Rapee Sucharitakul ⁽⁴⁾	7/7
6. Mr. Vanus Taepaisitphongse	14/14
7. Mr. Vasit Taepaisitphongse	14/14
8. Ms. Thanomvong Taepaisitphongse	14/14
9. Mrs. Siriwan Intarakumthornchai	14/14
10. Dr. Premratn Taephaisitphongse ⁽¹⁾	14/14
11. Ms. Piyaporn Taepaisitphongse ⁽¹⁾	13/14

Remark:

- (1) Appointed as a Director by the 2021 Annual General Meeting of Shareholders (26th Meeting) held on 19 May 2021
- (2) Appointed as a Director by the Board of Directors' Meeting No. 5/2021 held on 29 September 2021, effective on 1 October 2021 to replace Mrs. Somjai Wuttiputanonta who resigned from her directorship on 20 September 2021
- (3) Appointed as a Director by the Board of Directors' Meeting No. 1/2022 held on 25 January 2022, effective on 1 February 2022 to replace Mr. Satit Chanjavanakul who resigned from his directorship on 1 February 2022
- (4) Appointed as a Director by the Board of Directors' Meeting No. 7/2022 held on 29 June 2022, effective on 1 July 2022 to replace Mr. Jakkrin Taepaisitpong who resigned from his directorship on 1 July 2022

(2) Shareholders' Meetings

Director	Number of Meeting Attendance / Total Number of Meetings
	2022 Annual General Meeting of Shareholders (27 th Meeting)
1. Mr. Boontuck Wungcharoen ⁽¹⁾	/
2. Mr. Winid Silamongkol ⁽²⁾	/
3. Dr. Thaweesak Koanantakool ⁽¹⁾	/
4. Mrs. Tongurai Limpiti ⁽³⁾	/
5. Mr. Rapee Sucharitakul ⁽⁴⁾	x
6. Mr. Vanus Taepaisitphongse	/
7. Mr. Vasit Taepaisitphongse	/
8. Ms. Thanomvong Taepaisitphongse	/
9. Mrs. Siriwan Intarakumthornchai	/
10. Dr. Premratn Taephaisitphongse ⁽¹⁾	/
11. Ms. Piyaporn Taepaisitphongse ⁽¹⁾	/

x = Absent / = Present

Remark:

- (1) Appointed as a Director by the 2021 Annual General Meeting of Shareholders (26th Meeting) held on 19 May 2021.
- (2) Appointed as a Director by the Board of Directors' Meeting No. 5/2021 held on 29 September 2021, effective on 1 October 2021 to replace Mrs. Somjai Wuttiputanonta who resigned from her directorship on 20 September 2021.
- (3) Appointed as a Director by the Board of Directors' Meeting No. 1/2022 held on 25 January 2022, effective on 1 February 2022 to replace Mr. Satit Chanjavanakul who resigned from his directorship on 1 February 2022.
- (4) Appointed as a Director by the Board of Directors' Meeting No. 7/2022 held on 29 June 2022, effective on 1 July 2022 to replace Mr. Jakkrin Taepaisitpong who resigned from his directorship on 1 July 2022. Therefore, Mr. Rapee Sucharitakul was absent from the 2022 Annual General Meeting of Shareholders.

8.1.2.2 Monetary Remuneration

(1) Retainer Fee and Attendance Fee

The 2022 Annual General Meeting of Shareholders (27th Meeting) held on 28 April 2022 approved the remuneration for the Board of Directors and four Sub-Committees:

- 1 Audit Committee
- 2 Risk Management Committee
- 3 Nomination and Remuneration Committee
- 4 Corporate Governance and Sustainable Development Committee.



Position	2022	
	Monthly Remuneration (THB)	Attendance Fee ⁽¹⁾ (THB/Time /Person)
1. Chairman of the Board of Directors	83,500	60,000
2. Non-Executive Directors	50,000	40,000
3. Directors who are full-time employees ⁽²⁾	50,000	-
4. Chairman of the Audit Committee	33,500	50,000
5. Member of the Audit Committee	23,500	30,000
6. Chairman of the Risk Management Committee	16,700	50,000
7. Member of the Risk Management Committee	10,000	30,000
8. Chairman of the Nomination and Remuneration Committee	16,700	50,000
9. Member of the Nomination and Remuneration Committee	10,000	30,000
10. Chairman of the Corporate Governance and Sustainable Development Committee	16,700	50,000
11. Member of the Corporate Governance and Sustainable Development Committee	10,000	30,000

Remark:

(1) The said attendance fee is the payment for the Board of Directors' and shareholders' meetings. Independent directors shall also receive attendance fee for the shareholders' meetings.

(2) Directors who are full-time employees shall receive remuneration as the Company Directors and shall receive remuneration based on the position held in the sub-committee but shall not receive attendance fee. Regular staff shall include executives and/or the Company's staff who receive monthly salary.

(2) Incentive/Bonus

The 2022 Annual General Meeting of Shareholders (27th Meeting) held on 28 April 2022 approved the bonus payment to directors at the rate of 0.5 percent of dividend and not more than the remuneration they receive each year. The Board of Directors shall consider and specify the conditions and details for incentive and bonus payment with recommendations from the Nomination and Remuneration Committee and propose to the shareholders' meeting for consideration and approval. The bonus payment rate shall be appropriate depending on the Company's performance.

(3) Other Remuneration

- None -

The table below displays monetary remuneration to directors in the form of retainer fee⁽¹⁾ and attendance fee.

Director	Remuneration for Directors (THB) for Year 2022												
	Board of Directors			Audit Committee		Risk Management Committee		Nomination and Remuneration Committee		Corporate Governance and Sustainable Development Committee		AGM 2022	Total
	Retainer Fee	Attendance Fee	Bonus ⁽⁶⁾	Retainer Fee	Attendance Fee	Retainer Fee	Attendance Fee	Retainer Fee	Attendance Fee	Retainer Fee	Attendance Fee	Attendance Fee ⁽⁷⁾	
1. Mr. Boontuck Wungcharoen	1,002,000	840,000	267,857	-	-	-	-	-	-	-	-	60,000	2,169,857
2. Mr. Winid Silamongkol	600,000	560,000	80,357	368,500	400,000	-	-	83,500	150,000	110,000	180,000	40,000	2,572,357
3. Dr. Thaweesak Koanantakool	600,000	560,000	160,714	258,500	210,000	-	-	-	-	183,700	300,000	40,000	2,312,914
4. Mrs. Tongurai Limpiti ⁽²⁾	550,000	520,000	-	258,500	240,000	183,700	300,000	110,000	180,000	-	-	40,000	2,382,000
5. Mr. Rapee Sucharitakul ⁽³⁾	300,000	280,000	-	-	-	60,000	90,000	100,200	150,000	-	-	-	980,200
6. Mr. Vanus Taepaisitphongse ⁽⁴⁾	550,000	520,000	160,714	-	-	110,000	150,000	-	-	110,000	180,000	40,000	1,820,714
7. Mr. Vasit Taepaisitphongse ⁽⁵⁾	600,000	-	160,714	-	-	-	-	-	-	110,000	-	-	870,714
8. Ms. Thanomvong Taepaisitphongse ⁽⁵⁾	600,000	-	160,714	-	-	-	-	110,000	-	-	-	-	870,714
9. Mrs. Siriwan Intarakumthornchai ⁽⁵⁾	600,000	-	160,714	-	-	110,000	-	-	-	-	-	-	870,714
10. Dr. Premratn Taephaisitphongse ⁽⁵⁾	600,000	-	160,714	-	-	-	-	-	-	-	-	-	760,714
11. Ms. Piyaporn Taepaisitphongse ⁽⁵⁾	600,000	-	160,714	-	-	-	-	-	-	-	-	-	760,714
Total	6,602,000	3,280,000	1,473,212	885,500	850,000	463,700	540,000	403,700	480,000	513,700	660,000	220,000	16,371,812

Remark:

(1) In 2022, retainer fee was paid monthly.

(2) Assumed position on 1 February 2022

(3) Assumed position on 1 July 2022

(4) The Company paid the Board of Directors' attendance fee to Mr. Vanus Taepaisitphongse as a director who was not an executive since February 2022.

(5) Directors who are regular staff shall receive regular compensation, but shall not receive an attendance fee as directors of any other sub-committees. Regular staff shall include executives and/or the Company's employees who receive monthly salary.

(6) Bonus for performance in 2021 (paid in 2022)

(7) Such attendance fee was paid for the 2022 Annual General Meeting of Shareholders

8.1.3 Governance of Subsidiaries and Associated Companies

The Company set up the Corporate Governance and Management Policy for its subsidiaries and associated companies as well as a policy to prevent conflicts of interest. The objectives are to specify both direct and indirect measures and mechanisms to ensure the Company can supervise and manage its subsidiaries and associated companies' operations, and to monitor their compliance with the specified policy, various measures, mechanisms and related laws as they are its units.

Additional information and details appear in Attachment 5 (A complete version of the Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Governance and Management Policy for Subsidiaries and Associated Companies” and “Conflicts of Interest Policy”.

8.1.4 Monitoring of Corporate Governance Policy and Code of Conduct Compliance

8.1.4.1 Compliance with Corporate Governance Policy and Code of Conduct

The company prioritizes good corporate governance by specifying it in the Corporate Governance Policy and Betagro Code of Ethics. Through its Board of Directors, the Policy and Code of Ethics were written and used as operating standards for its directors, executives and staff. The Board monitors strict compliance with the said policy and ethics and encourage actual practice to create confidence within all groups of stakeholders.

Additional information and details appear in Appendix 5 (A complete version of the Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Corporate Governance Policy” and “Betagro Code of Ethics”.

8.1.4.2 Compliance with the Policy and Code of Conduct to Prevent Conflicts of Interest

One of the Company's priorities is to consider various transactions with transparency and benefits to the Company. Therefore, it puts emphasis on prevention of transactions that may create conflicts of interest, intercompany or related transactions by specifying a code of conduct, various prohibitions and considerations for the Company's directors, executives and staff to understand how to comply with them. The Company's directors, executives and/or staff (depending on each case) shall be responsible for operating according to the policy to prevent conflicts of interest.

Additional information and details appear in Attachment 5 (A complete version of the Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Conflicts of Interest Policy”.

8.1.4.3 Compliance with the Policy and Code of Conduct on Internal Information Use for Own Interests

The Company supervises the use of internal information to ensure compliance with the laws and Corporate Governance Policy by assigning the Company Secretary to monitor and maintain copies of the reports on securities holding by the Company's directors, executives and other persons whose duties are outlined in Section 59 of the Securities and Stock Exchange Act B.E. 2535 (1992) (including the additional revision) submitted to the Securities and Exchange Commission. The duty of the Company Secretary is also to inform the Board of Directors, executives and related internal persons to be careful of securities trading during the consideration of the Company's financial statements in order to prevent trading securities with internal information.

Additional information and details appear in Appendix 5 (A complete version of the Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Scope, Authority and responsibilities of Company Secretary”.

8.1.4.4 Compliance with the Anti-Corruption Policy and Code of Conduct

The Audit Committee is responsible for auditing the accuracy of self-evaluation on anti-corruption measures, as well as auditing the finance and accounting system and reporting, internal control and internal audit systems to ensure they are strict, appropriate, modern and efficient.

Management Committee, president and executives are responsible for putting into practice the Anti-Corruption Policy by specifying anti-corruption support systems, communicating them to staff and all parties involved, and reviewing the appropriateness of the various systems and measures to cope with changes in businesses, rules, regulations and requirements of the laws.

In addition, the Company also creates whistleblowing channels for any staff or stakeholder who wishes to contact the president or the Audit Committee chairman directly in order to express his or her opinions on business operation and make a complaint on any action or lack of action causing wrongdoing or illegal action or corruption or others. The whistleblowers may choose not to identify themselves by sending their complaints to the following channels:



Letter

President or Chairman of the Audit Committee
323 Betagro Tower, Vibhavadi Rangsit Road,
Thung Song Hong, Laksi, Bangkok 10210



Telephone

02-833-8329



E-mail

whistleblowing@betagro.com

Additional information and details appear in Appendix 5 (A complete version of the Corporate Governance Policy and Code of Conduct, and a complete version of Betagro Code of Ethics) – “Anti-Corruption Policy”.

8.2 Report on the Audit Committees’ Performance during the Past Year

8.2.1 Numbers of Meetings and Attendance of Individual Audit Committee Directors

Details of attendance of the Company’s Audit Committee in 2022 are as follows:

Director	Number of Meeting Attendance/ Total Number of Meetings
	1 Jan – 31 Dec 2022
1. Mr. Winid Silamongkol	8/8
2. Dr. Thaweesak Koanantakool	7/8
3. Mrs. Tongurai Limpiti	8/8

8.2.2 Explanation on the Audit Committee’s Performance

The Audit Committee performed its duties as prescribed in the Audit Committee Charter by using knowledge and ability with care, thoroughness and independence. It received information and full cooperation from the Company’s Management. The Audit Committee’s opinion was that the Company (1) had accurate financial reports based on general, acceptable accounting standards and disclosed sufficient important information, (2) had an appropriate, strict and efficient internal control and audit system without any significant mistakes which may impact the Company’s financial statements and business operation, and (3) complied with the various related laws, requirements and regulations appropriately. The full Audit Committee Report appears in Appendix 6 (Audit Committee Report).

8.3 Summary of Other Sub-Committees' Performance

8.3.1 Number of Meetings and Meeting Attendance of Other Sub-Committees

8.3.1.1 Risk Management Committee Meeting

Director	Number of Meeting Attendance/ Total Number of Meetings
	1 Jan – 31 Dec 2022
1. Mrs. Tongurai Limpiti	6/6
2. Mr. Rapee Sucharitakul ⁽¹⁾	3/3
3. Mr. Vanus Taepaisitphongse	5/6
4. Mrs. Siriwan Intarakumthornchai	6/6

Remark:

(1) Appointed as a Director, effective from July 1, 2022

8.3.1.2 Nomination and Remuneration Committee Meeting

Director	Number of Meeting Attendance/ Total Number of Meetings
	1 Jan – 31 Dec 2022
1. Mr. Winid Silamongkol	3/3
2. Mr. Rapee Sucharitakul ⁽¹⁾	3/3
3. Mrs. Tongurai Limpiti	6/6
4. Ms. Thanomvong Taepaisitphongse	6/6

Remark:

(1) Appointed as a Director, effective from July 1, 2022 to replace Mr. Winid Silamongkol who resigned from the Chairman of the Nomination and Remuneration Committee on July 1, 2022

8.3.1.3 Corporate Governance and Sustainable Development Committee Meeting

Director	Number of Meeting Attendance/ Total Number of Meetings
	1 Jan – 31 Dec 2022
1. Dr. Thaweesak Koanantakool	6/6
2. Mr. Winid Silamongkol	6/6
3. Mr. Vanus Taepaisitphongse	6/6
4. Mr. Vasit Taepaisitphongse	5/6



8.3.2 Explanation on Other Sub-Committees' Performance

8.3.2.1 Risk Management Committee

The Board of Directors' Meeting No. 1/2022 held on 25 January 2022 appointed the Risk Management Committee effective on 1 February 2022. The Committee performed within the scope of duties and responsibilities specified in the Risk Management Committee Charter. It approved the Company's Risk Management Manual and proposed to the Board of Directors' Meeting to approve the Risk Management Policy. In addition, the Committee approved the guidelines for reporting critical incidents, advised on BCP plan preparation, risk management regarding liquidity, management of very high and high corporate risks, investment in new IT technology for cost-effectiveness, and risk management of pollution emissions from farms. The Risk Management Committee also gave its consent on the policy to borrow and lend money between the Company and its subsidiaries.

8.3.2.2 Nomination and Remuneration Committee

The Board of Directors' Meeting No. 1/2022 held on 25 January 2022 approved the appointment of the Nomination and Remuneration Committee effective on 1 February 2022. This Committee performed within its scope of duties and responsibilities specified in the Nomination and Remuneration Committee Charter and the related Corporate Governance Policy to prepare the Company for the initial public offering (IPO) process and registration of the Company's common stock as registered securities in the Stock Exchange of Thailand. The Committee held meetings to consider and propose the following matters for the Board of Directors' approval:

- Organization Chart
- Guidelines and compensation payments to the Board of Directors and Sub-Committees
- Succession Plan
- Performance evaluation methods and implementation for the Chief Executive Officer and President as well as top executives

- Policy and framework for compensation payment to top executives in 2022
- Bonus criteria and payment to the Board of Directors in 2022
- Taking up positions of top executives, Chief Operating Officer – Food Business, and Chief Technology Digital Officer
- Review of the Nomination and Remuneration Charter
- Appointment of independent directors in the Board of Directors to replace those who resigned, and additional independent directors in the Risk Management Committee

8.3.2.3 Corporate Governance and Sustainable Development Committee

The Board of Directors' Meeting No. 1/2022 held on 25 January 2022 appointed the Corporate Governance and Sustainable Development Committee, effective on 1 February 2022. This Committee performed within its scope of duties and responsibilities specified in the Corporate Governance and Sustainable Development Committee Charter, and in compliance with the Corporate Governance Policy. It specified the Company's business directions which are in line with the United Nations' sustainable development goals. The Committee held meetings to consider and propose the following policies for the Board of Directors' consideration and approval:

- Corporate Governance Policy
- Sustainability Management Policy and Directions
- Environmental Policy and Guidelines
- Social Policy and Guidelines
- Establishment of Corporate Governance and Sustainable Development Framework through the ESG and Sustainable Development Committee's structure and the Company's ESG working group

9. Internal Control and Related Party Transactions

9.1 Internal Control System

9.1.1 Board of Directors' Opinions on Internal Control System

The Board of Directors realizes the importance of having a good internal control system and considers its major duty to be ensuring an appropriate and sufficient internal control system. This enables the Company to operate efficiently and reach its goals, objectives, related laws and requirements, as well as protect its assets from fraud. The Board also makes sure that accounting and financial reports are prepared accurately and reliably, and complete information is sufficiently disclosed at an appropriate time.

The Board of Directors' Meeting No. 5/2022 held on 26 April 2022 (with the Audit Committee also joining) evaluated the internal control system by posing questions to the Company's management. The Board also reviewed the Company's internal control system in five aspects based on the guidelines of the Committee of Sponsoring Organizations of Treadway Commission ("COSO") as follows:

- 1 Control Environment
- 2 Risk Assessment
- 3 Control Activities
- 4 Information and Communication
- 5 Monitoring Activities

The Board's opinion was that the Company's internal control system was sufficient, appropriate and consistent with the current business size and condition. The Company has in place personnel to take action based on the internal control system, and its internal control system sufficiently covers the monitoring and controlling of the Company's assets from loss, improper use or use without authority as well as transactions with persons who may have conflicts of interest and related persons.

9.1.2 Head of Internal Control Department

According to the resolutions of the Audit Committee's Meeting No. 1/2022 held on 18 February 2022, the Audit Committee assigned Mr. Chaitat Chananonthawat to be the Head of Internal Control Department responsible for the code of conduct of the Company's internal auditor, and for the preparation of reports and recommendations to improve the system in line with the Company's internal control plan and policy. Please see additional details of the Company's Internal Control Department Head in Appendix 3 – Details of the Head of Internal Control Department.

The Audit Committee considered the qualifications of Mr. Chaitat Chananonthawat and believed that he was sufficiently suitable to perform such duties with qualifications, education, professional experience and training appropriate to act as the Head of Internal Control Department.

9.1.3 Appointment, Transfer, Removal, Promotion and Performance Evaluation of the Head of Internal Control Department

The Audit Committee is responsible for considering the independence of the Internal Control Department and approving the appointment, transfer, employment termination of the Internal Control Department Head or other units responsible for internal control. The Committee's duty is also to consider and give its consent on the annual budget, manpower and resources

required for the work of the Internal Control Department. In addition, the Committee approves the annual audit plan, the review and adjustment of a significant part in the audit plan, as well as supervises the performance of the internal control department. This is to ensure compliance with the approved annual audit plan and the international performance standards of professional internal auditors. The Committee also evaluates internal control performance quality regularly every year.

9.2 Related Party Transactions

9.2.1 Details of Persons Who May Have Conflicts and Relationships

Persons who may have conflicts of interest with the Company due to transactions with the Company and its subsidiaries for the year ended December 31, 2022 are as follows:

No.	Name of person or juristic person who may have conflicts	Nature of business	Relationship with the Company As at December 31, 2022
1.	Betagro Holding Company Limited (“BTH”)	Investment in affiliated companies	<ul style="list-style-type: none"> Major shareholder of the Company with direct shareholding of 37.67% of the Company’s paid-up capital There are 4 common directors: <ol style="list-style-type: none"> (1) Mr. Vanus Taepaisitphongse (2) Mr. Vasit Taepaisitphongse (3) Ms. Thanomvong Taepaisitphongse (4) Mrs. Siriwan Intarakumthornchai
2.	Betagro Land Company Limited (“BTL”)	Real estate development and related services	<ul style="list-style-type: none"> Common shareholder is BTH with direct shareholding of 37.67% of the Company’s paid-up capital. BTH is a major shareholder of BTL with direct shareholding of 99.9% of BTL’s paid-up capital. There are 6 common directors: <ol style="list-style-type: none"> (1) Mr. Vanus Taepaisitphongse (2) Mr. Vasit Taepaisitphongse (3) Ms. Thanomvong Taepaisitphongse (4) Mrs. Siriwan Intarakumthornchai (5) Dr. Premratn Taephaisitphongse (6) Ms. Piyaporn Taepaisitphongse

No.	Name of person or juristic person who may have conflicts	Nature of business	Relationship with the Company As at December 31, 2022
3.	B & T Realty Company Limited (“BTR”)	Real estate business for rent	<ul style="list-style-type: none"> Common shareholder is BTH with direct shareholding of 37.67% of the Company’s paid-up capital. BTH is a major shareholder of BTR with direct shareholding of 99.9% of BTR’s paid-up capital (since March 1, 2022). There are 6 common directors: <ol style="list-style-type: none"> (1) Mr. Vanus Taepaisitphongse (2) Mr. Vasit Taepaisitphongse (3) Ms. Thanomvong Taepaisitphongse (4) Mrs. Siriwan Intarakumthornchai (5) Dr. Premratn Taephaisitphongse (6) Ms. Piyaporn Taepaisitphongse
4.	Betagro Restaurant Company Limited (“BGR”)	Restaurant business	<ul style="list-style-type: none"> Common shareholder is BTH with direct shareholding of 37.67% of the Company’s paid-up capital. BTH is a major shareholder of BGR with direct shareholding of 99.9% of BGR’s paid-up capital (since March 1, 2022). There are 6 common directors: <ol style="list-style-type: none"> (1) Mr. Vanus Taepaisitphongse (2) Mr. Vasit Taepaisitphongse (3) Ms. Thanomvong Taepaisitphongse (4) Mrs. Siriwan Intarakumthornchai (5) Dr. Premratn Taephaisitphongse (6) Ms. Piyaporn Taepaisitphongse

No.	Name of person or juristic person who may have conflicts	Nature of business	Relationship with the Company As at December 31, 2022
5.	Betagro Mermaid Company Limited (“BMC”)	Bakery business	<ul style="list-style-type: none"> Common shareholder is BTH with direct shareholding of 37.67% of the Company’s paid-up capital. BTH is a major shareholder of BMC with direct shareholding of 80.0% of BMC’s paid-up capital (since March 1, 2022). There are 3 common directors: <ol style="list-style-type: none"> (1) Mr. Vanus Taepaisitphongse (2) Mr. Vasit Taepaisitphongse (3) Mrs. Siriwan Intarakumthornchai
6.	Betagro Digital Services Company Limited (“BDS”)	Computer work and software system services	<ul style="list-style-type: none"> Common shareholder is BTH with direct shareholding of 37.67% of the Company’s paid-up capital. BTH is a major shareholder of BDS with direct shareholding of 99.9% of BDS’s paid-up capital (since March 1, 2022). There are 6 common directors: <ol style="list-style-type: none"> (1) Mr. Vanus Taepaisitphongse (2) Mr. Vasit Taepaisitphongse (3) Ms. Thanomvong Taepaisitphongse (4) Mrs. Siriwan Intarakumthornchai (5) Dr. Premratn Taephaisitphongse (6) Ms. Piyaporn Taepaisitphongse
7.	Betagro First Collection Company Limited (“BFC”)	Restaurant business	<ul style="list-style-type: none"> Common shareholder is BTH with direct shareholding of 37.67% of the Company’s paid-up capital. BTH is a major shareholder of BFC with direct shareholding of 81.8% of BFC’s paid-up capital (since March 1, 2022).

No.	Name of person or juristic person who may have conflicts	Nature of business	Relationship with the Company As at December 31, 2022
	Betagro First Collection Company Limited (“BFC”) (Cont.)		<ul style="list-style-type: none"> There are 2 common directors: (1) Mr. Vanus Taepaisitphongse (2) Mr. Vasit Taepaisitphongse
8.	Mr. Vanus Taepaisitphongs (“Mr. Vanus”)	-	<ul style="list-style-type: none"> The Company’s Director Mr. Vanus is a shareholder of the Company with direct shareholding of 0.5% of the Company’s paid-up capital. He is also a shareholder of BTH with shareholding of 1.3% of BTH’s paid-up capital. BTH is a major shareholder of the Company with direct shareholding of 37.67% of the Company’s paid-up capital.
9.	SPC Home Ideas Company Limited (“SPC”)	Consulting services	<ul style="list-style-type: none"> Mr. Satit Chanjavanakul (“Mr. Satit”), who was the Company's Director at the date of the transaction, is a shareholder of SPC with direct shareholding of 30.0% of SPC’s paid-up capital. Mr. Satit resigned from the Company’s Director on 1 February 2022.
10.	Ms. Raviwan Taepaisitpong (“Ms. Raviwan”)	-	<ul style="list-style-type: none"> Sister of Mrs. Siriwan Intarakumthornchai who is the Company’s Director. Ms. Raviwan is a shareholder of the Company with direct shareholding of 0.1% of the Company’s paid-up capital. She is also a shareholder of BTH with shareholding of 0.7% of BTH’s paid-up capital. BTH is a major shareholder of the Company with direct shareholding of 37.67% of the Company’s paid-up capital
11.	Polar Bear Mission Company Limited (“Freshket”)	E-commerce	<ul style="list-style-type: none"> Common shareholder is BTH with direct shareholding of 37.67% of the Company’s paid-up capital. BTH is a shareholder of Freshket with direct shareholding of 10.5% of BFC’s paid-up capital (since May 26, 2022).

9.2.2 Related Party Transactions of the Company and its Subsidiaries with Persons Who May Have Conflicts

Related party transactions of the Company and its subsidiaries with persons who may have conflicts as at December 31, 2022 can be summarized as follows:

9.2.2.1 Transactions which will continue to recur in the future

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	

1. Revenue from sale of goods and rendering of services

BTL	Revenue from sale of goods and rendering of services	0.03	<p>The Company's subsidiaries offered services and sold various products as usual to BTL. Major details are as follows:</p> <ul style="list-style-type: none"> Water system analysis service by Betagro Science Center Co., Ltd. ("BSC") which provides physical and chemical operation testing and analysis service, mainly to the companies in the Group with some service to outsiders. The service rate and trade terms were compatible with the service offered to outsiders. Personnel training by Betagro Group Human Resources Development Center Co., Ltd. ("BHRD") which offers labor skill training and training for safety, occupational health and environment officers for the Group's staff only. The rate charged to BTL was the same rate charged to other companies in the Group. <p>The Company believed that the said service and sale of products were business as usual of its subsidiaries which helped strengthen the Group's overall income. In addition, the trade terms did not cause any disadvantage to the Group.</p>
	Other income	1.10	
	Trade accounts receivable	0.82	

9.2.2.1 Transactions which will continue to recur in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	
BTL (Cont.)			The Audit Committee's Opinion Such transactions were the Group's business-as-usual transactions with general trade rates and terms, and the transactions helped strengthen the Group's income. Therefore, such transactions are considered reasonable and beneficial to the Group.
BGR and BMC	Revenue from sale of goods and rendering of services	10.4 ⁽¹⁾	The Company's subsidiaries sold chicken eggs and processed food products such as shabu pork, gyoza, ham, bacon and sausages to BGR and BMC with general trade prices and terms comparable to similar customer groups. The Audit Committee's Opinion Such transactions were the Group's business-as-usual transactions with general trade prices and terms. They helped strengthened the Group's income. Therefore, such transactions are considered reasonable and beneficial to the Group.
	Other income	0.06 ⁽¹⁾	
	Trade accounts receivable	1.3	
Polar Bear Mission Company Limited	Revenue from sale of goods and rendering of services	41.3 ⁽²⁾	The Company's subsidiaries sold products such as chicken eggs, pork, chicken, sausages and other processed food products such as marinated pork, soup and egg tofu to Freshket with general trade prices and terms comparable to similar customer groups. The Audit Committee's Opinion Such transactions were the Group's business-as-usual transactions with general trade prices and terms. They helped strengthen the Group's income. Therefore, such transactions are considered reasonable and beneficial to the Group.
	Trade accounts receivable	3.14	
		345.7	

(1) Value from March 1, 2022 to December 31, 2022 as the Company sold all shares held in BGR, BMC, BTR, BDS, BFC to BTH on March 1, 2022.

(2) Revenue from sales to Freshket from May 26, 2022 to December 31, 2022.

9.2.2.1 Transactions which will continue to recur in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	
BTL	Revenue from sale of asset	0.6	<p>The Company sold discontinued pickup trucks to BTL by referring to the used car market price as the purchase price.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were the sale of deactivated assets with general trade prices and terms. Therefore, such transactions are considered reasonable and beneficial to the Group.</p>

2. Other expenses

BTL	Other expenses ⁽³⁾		<p>The Group used BTL's water treatment system service mainly for the Group's factories located in Food Complex 2 because (1) BTL had personnel experienced in public utilities system management, (2) BTL invested in the infrastructure which helped reduce the Group's investment and system maintenance burden, and (3) it created economies of scale resulting in reduced operating costs. BTL's water treatment plant received waste water from the Group's plants for treatment based on scientific principles to ensure waste water with standard quality before releasing it into waste water sources. The principles used in calculating the service rates based on the quality of water released from the plants were compatible with those of other similar service providers, and with general trade terms.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were service provided by BTL with compatible market service rate calculation principles and general trade terms. Therefore, such transactions are considered reasonable and beneficial to the Group.</p>
	• Wastewater treatment	20.56	
	• Utility and gas systems	156.2	
	• Other services	58.2	
	Trade accounts payable ⁽³⁾	31.2	

(3) Including transactions between BTL and TAB & ABS (joint venture companies in the audited consolidated financial statements of the Company). However, TAB & ABS are deemed subsidiaries under the Thai SEC Act.

9.2.2.1 Transactions which will continue to recur in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	
BTL (Cont.)			<p>The Group used BTL's utilities and Liquid Petroleum Gas (LPG) system service and bought such products mainly for use in the production process of the Group's plants located in Food Complex 2 because (1) BTL had personnel experienced in public utilities system management, (2) BTL invested in its infrastructure including product transmission pipelines from its station to various plants located in Food Complex 2, which helped reduce the Group's investment and system maintenance burden, and (3) it created economies of scale resulting in reduced operating costs. Important details are as follows:</p> <ul style="list-style-type: none"> The Group bought raw water, cold water and soft water from BTL for use partly in its production process such as raw material cleaning, goods production and general use. BTL had to deliver quality water as specified in the contract appropriate for further use in its production process. The Group bought Liquid Petroleum Gas (LPG) from BTL for use as fuel in its production process. BTL had to deliver LPG with pressure and temperature as specified in the contract. <p>The management considered buying raw water, cold water and soft water as well as LPG from BTL was more beneficial to the Group as BTL benefited from the economies of scale and had power to bargain prices with its suppliers or representatives of outsiders who provided the service. Hence, it was more cost-effective for the Group to use BTL's service than invest in water drilling stations, a water production system and gas stations, or buy LPG in tanks for use and invest in water and gas transmission pipelines as well as manage various systems.</p>

9.2.2.1 Transactions which will continue to recur in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	

BTL (Cont.)

The Audit Committee's Opinion

Such transactions were service provided by BTL to support the Group's operation. The service rates were calculated based on the agreement between the contract parties, which were more cost-effective for the Group than investing in water drilling stations, a water production system and gas stations, or buying LPG in tanks for use and investing in water and gas transmission pipelines as well as managing various systems. Therefore, such transactions are considered reasonable and beneficial to the Group.

The Group used other services from BTL such as renting a dormitory located in the Food Complex 2 for employees who work in the factory in the said area to stay, maintenance of various equipment, crane rental and telephone system services (Voice over Internet Protocol). Using centralized services from BTL helped the Group to reduce operating costs and benefit from economies of scale. Such service rates were comparable to the market rates with general trade terms.

The Audit Committee's Opinion

Such transactions were service provided by BTL with compatible market service rate calculation principles and general trade terms. Therefore, such transactions are considered reasonable and beneficial to the Group.

9.2.2.1 Transactions which will continue to recur in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	
BTL	Purchase of assets	0.8	<p>In December 2022, PF (the Company's subsidiary) purchased land adjacent to the existing factory from BTL for Pet Focus Plant Expansion Project. The land purchase price was based on the land appraisal price appraised by an independent appraiser approved by the SEC under general trade terms.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were the acquisition of operating assets with general trade prices and terms. Therefore, such transactions are considered reasonable and beneficial to the Group.</p>
Ms. Raviwan	Other expenses	0.05	<p>The Company's other expenses included buying bouquets of flowers or wreaths from the flower shops of Miss Raviwan for use in related occasions. Such product and service rates were compatible with those charged to other customers.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions are reasonable with similar prices and trade terms as sold to other customers. Therefore, such transactions are considered reasonable.</p>
Polar Bear Mission Company Limited	Purchase of products	0.93	<p>The Company's subsidiaries bought products from Freshket for use in food such as various plants, vegetables and raw materials to produce products for sale in Betagro Deli and use them in research and development. Such product price rates were compatible with those purchased from other companies.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were reasonable with similar prices and trade terms sold to other companies. Therefore, such transactions are considered reasonable.</p>
	Trade accounts payable	0.3	

9.2.2.1 Transactions which will continue to recur in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	

3. Property rent transactions

BTL	Rent	-	<p>The Company and its subsidiary Better Foods Co., Ltd. (“BF”) rented a total of 41 rai of land in the Lamnarai Central Project in Lopburi Province from BTL for use as Betagro Sufficiency Learning Center (other parts of the land were managed by BTL). The contract period was 12 months, from 1 January 2021 to 31 December 2021, and the land rental rate and central service fee were calculated per rai per month as agreed by both parties. In April 2022, BTL entered into another land rental agreement with BF for a period of 3 years starting from 1 January 2022 to 31 December 2024. The landlord agreed with the tenant to renew the contract three times, with each contract period of three years. In addition, BTL transferred its staff working in the central part of the area and related assets to BF. Thus, BF rented the entire 130-2-09 rai of land as Betagro Sufficiency Learning Center based on the land rental rate appraised by independent appraisers with the consent of the Securities and Exchange Commission, and without collecting the central service fee in the future.</p>
	Depreciation expenses	0.7	
	Finance costs	0.04	
	Lease liabilities	1.3	
	Right-of-use assets	1.3	

The Audit Committee’s Opinion

Such transactions were real estate rental transactions to support the Group’s business operations, and the rental rate from April 2022 was based on the independent appraisers’ appraisal price, with general trade terms. Therefore, such transactions are considered reasonable and beneficial to the Group.

9.2.2.1 Transactions which will continue to recur in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	
	Depreciation expenses	1.9	<p>The Company and BF rented office space located in the Food Complex 2 Project from BTL for use as office and related business operations under one-year and two-year contracts. The land rental rates and central service fee were calculated based on the rental space as agreed by both parties, and the rental rates and service fee were compatible with the market prices of the nearby area.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were real estate rental transactions to support the Group's business operations. The rental rates and the service fee were compatible with those of the nearby area with general trade terms. Therefore, such transactions are considered reasonable and beneficial to the Group.</p>
	Finance costs	0.15	
	Lease liabilities	3.1	
	Right-of-use assets	2.8	
BTL	Other expenses	0.4	<p>The Company and its subsidiaries rented ten pieces of land from BTL and one piece from BTR, which the Company and its subsidiaries had sold to BTL and BTR in December 2021 and February 2022, for use in operating related businesses such as an office, a chicken farm, a pig farm and an animal feed plant. A part of this land was the land which the Company and its subsidiaries sold to BTL in December 2021 and February 2022 due to community growth and various rules and regulations that limited business operations in the area of such land. In the Company's opinion, the said environment might not facilitate its future operation. The contract period was three years, renewable three times over a three-year contract period each time. The rental rate was based on that appraised by the independent appraisers with the consent of the Securities and Exchange Commission, and with general trade terms.</p>
	Depreciation expenses	11.5	
	Finance costs	0.66	
	Lease liabilities	23.8	
	Right-of-use assets	23.6	
	Trade accounts payable	0.3	

9.2.2.1 Transactions which will continue to recur in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	

The Audit Committee's Opinion

Such transactions were real estate rental transactions to support the Group's business operations. The rental rate was based on that appraised by independent appraisers with the consent of the Securities and Exchange Commission. Therefore, such transactions are considered reasonable and beneficial to the Group.

BTR	Other expenses	33.6	The Company and its subsidiaries rented space in the Betagro Tower and the nearby area for use as its office, parking lot and document storage building. The contract period was three years, and the land rental rates and central service fees per month were calculated based on the actual space as agreed by both contract parties. The rental rates and service fees were compatible with the market prices of the nearby area.
	Depreciation expenses	38.9	
	Finance costs	2.7	
	Lease liabilities	68.9	
	Right-of-use assets	68.6	
	Trade accounts payable	8.0	
			<h4>The Audit Committee's Opinion</h4> <p>Such transactions were real estate rental transactions to support the Group's business operations. The rental rates and the service fees were compatible with those in the nearby area with general trade terms. Therefore, such transactions are considered reasonable and beneficial to the Group.</p>

9.2.2.2 Transactions not recurring in the future / Transactions not considered to be related party transactions in the future

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	

1. Sale and purchase of assets

BTL	Compensation received	471.6	<p>The Company and its Subsidiaries sold land to BTL. Details are summarized as follows:</p> <ul style="list-style-type: none"> In December 2021, the Company's subsidiaries sold 15 plots of land with a total space of 1,235-1-54.3 rai. In February 2022, the Company and its subsidiaries sold 10 plots of land with a total space of 461-3-66 rai. <p>Part of the said land was vacant which the Group had no plan to use while another part of land was used for its operation such as a chicken farm, a pig farm, a warehouse next to the Company's animal feed plant, and the Group's shops. However, the growth of the community on the land with the farms and warehouse combined with the various rules and regulations limited business operation in such area. The Company felt that the environment of such land did not facilitate farm operations and a warehouse in the future. The sales price of such land was based on the asset appraisal prices conducted by independent appraisers with the consent of the Securities and Exchange Commission.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were restructuring transactions to make preparation for the Company's common stock offer to the general public for the first time. The said restructuring transactions occurred only once to restructure its real estate holding in line with its business strategies and the Group's business operations. Therefore, such transactions are considered appropriate and reasonable.</p>
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9.2.2.2 Transactions not recurring in the future / Transactions not considered to be related party transactions in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	
BTL	Compensation	345.7	<p>In February 2022 and March 2022, BF and BAI, the Company's subsidiaries, bought two areas of land totaling 2,850-0-16 rai in Lopburi Province from BTL: Khao Hang Talad area adjacent to the Group's chicken and pig farms, and Khao Lom Kwang area next to the Group's hatchery plant and chicken farm. The said land was vacant land and a part of it had teak trees. The Company's management considered that the purchase of such land would be for biosecurity use of the farms located nearby due to the growth of the town. The land could be used to support its long-term business expansion as well. The sales prices of such land and teak trees were based on the appraised prices by independent appraisers with the consent of the Securities and Exchange Commission, and under general trade terms.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were restructuring transactions to make preparation for the Company's common stock offer to the general public for the first time. The said restructuring transactions occurred only once in the form of asset purchase transactions based on the appraised prices by independent appraisers. Such transactions were considered beneficial to the Group's current operations and future growth. Therefore, such transactions are considered necessary, reasonable and beneficial to the Group's business operations.</p>
BTL	Compensation	3.7	<p>The Company's subsidiaries bought assets including artesian wells, a street light system, various equipment and buildings for operation in the Lam Narai Central Project. This was because the Company's policy was to manage the total area in the Project by itself, instead of using BTL's services. The assets sales prices were based on the calculation principles of the</p>

9.2.2.2 Transactions not recurring in the future / Transactions not considered to be related party transactions in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	

related government units which took into consideration the cost price, condition and service life of the assets.

The Audit Committee's Opinion

Such transactions were the acquisition of assets used in the operation and occurred only once with normal prices and trade terms. Therefore, such transactions are considered necessary, reasonable and beneficial to the Group's business operations.

2. Sale of shares

BTH	Compensation received	390.9	<p>In March 2022, the Company sold all of the shares held in four companies which did not operate businesses related to the Group's core businesses and were not in line with its operating plans and growth strategies. In addition, the said companies faced sustained losses over a long period. The shares were sold to BTH at the book value as at 31 December 2021 with normal share trading terms and under normal trade terms. Details were as follows:</p> <ul style="list-style-type: none"> • 99.9% in BGR (restaurant business) • 81.8% in BFC (restaurant business) • 80.0% in BMC (bakery business) • 99.9% in BDS (computer and software system service business) <p>The Audit Committee's Opinion</p> <p>Such transactions were restructuring transactions to make preparation for the Company's common stock offer to the general public for the first time. The said restructuring transactions</p>
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9.2.2.2 Transactions not recurring in the future / Transactions not considered to be related party transactions in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	
BTH (Cont.)			<p>occurred only once to restructure its real estate holding in line with its business strategies and the Group's business operations. Therefore, considering the necessity and the method in determining the sales prices based on the book value, such transactions are considered necessary, reasonable and beneficial to the Group's business operations.</p> <p>In March, 2022, the Company sold 99.9 percent of the shares it held in BTR to BTH. BTR operated real estate rental business, and currently the Company and its subsidiaries rent the space in the North Park Project and the nearby area from BTR for use as office. The prices of the shares and assets sold were based on appraised prices for the assets by independent appraisers with the consent of the Securities and Exchange Commission, and with general share trading terms and general trade terms. With BTR's adjusted book value as at 31 December 2021, the total value was THB310.2 million.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were restructuring transactions to make preparation for the Company's common stock offer to the general public for the first time. The said restructuring transactions occurred only once to restructure its real estate holding in line with its business strategies and the Group's business operations. Therefore, considering the necessity and the method in determining the sales prices based on the appraised prices by independent appraisers with the consent of the Securities and Exchange Commission, and with the adjusted book value, such transactions are considered appropriate and reasonable.</p>

9.2.2.2 Transactions not recurring in the future / Transactions not considered to be related party transactions in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	

3. Other expenses

BTL	Depreciation expenses	0.01	BF rented two plots of land with a total area of 33-3-44 rai in Chaibadarn District, Lopburi Province from BTL for BF’s solar farm operation with a two-year contract period from 22 January 2021 to 21 January 2023, and as roads leading to BF’s chicken farm with a two-year contract starting from 26 January 2021 to 25 January 2023. The land rental rates were calculated per rai per month as agreed by the contract parties. However, on 18 January 2022 BTL sold the said two pieces of land to Betagro Agro Industry Co., Ltd. (BAI), the Company’s subsidiary. Then, BF cancelled the original contracts with BTL and signed new contracts with BAI. Therefore, such transactions shall not be considered related party transactions since 18 January 2022.
	Finance costs	0.0003	
	Lease liabilities	-	
	Right-of-use assets	-	
The Audit Committee’s Opinion			
Such transactions were real estate rental transactions to support the Group’s business operations on the day the transactions were made, and are transactions that will not recur in the future.			
SPC	Other expenses	-	The Company hired SPC with Mr. Satit as management consultant to the Management as Mr. Satit had knowledge and ability in plant construction engineering, business management and requests for various related permits from 1 January 2021 to 30 June 2021 with a monthly fee and an agreed fee for additional work. The Company’s Management considered that in employing SPC with Mr. Satit as consultant the Company benefited from his ability and experience. The monthly fee was competitive with the fee and other benefits the Company gave to other consultants who were outsiders with a similar scope of work. However, as Mr. Satit who was a director and major shareholder of SPC resigned from being the Company’s director since

9.2.2.2 Transactions not recurring in the future / Transactions not considered to be related party transactions in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	
SPC (Cont.)			<p>January 2022. SPC was not considered a person with possible conflict of interest, and the transactions between the Group and SPC shall not be considered related party transactions since February 2022.</p> <p>The Audit Committee's Opinion</p> <p>Such transaction was a transaction to support business operations as Mr. Satit had the knowledge and ability to help improve the Group's business operation efficiency. However, such transaction would not be considered related party transactions in the future as SPC was not considered an entity with possible conflict of interest after Mr. Satit resigned from the Company's directorship in January 2022.</p>
Mr. Vanus	Other expenses	0.2	<p>The Company hired Mr. Vanus as consultant on various matters in January 2022 with a monthly fee compatible with the fee and other benefits which the Company gave to other consultants who were outsiders with a similar scope of work. However, such contract was terminated in February 2022.</p> <p>The Audit Committee's Opinion</p> <p>Such transaction was a transaction to support business operation as Mr. Vanus had the knowledge and ability to help improve the Group's business operation efficiency. However, the Company cancelled the employment contract of Mr. Vanus in February 2022.</p>

9.2.2.2 Transactions not recurring in the future / Transactions not considered to be related party transactions in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	

4. Liquidity management transactions

BTH	Interest income	0.2	<p>The Company, its subsidiaries and BTH managed their liquidity through the Liquidity Management System (LMS) with the Company's account as the primary account ("Primary Account") and the subsidiaries' and BTH's accounts as the secondary accounts ("Secondary Account"). At the end of every day, if the Secondary Accounts were in the red, the Primary Account would transfer money to the Secondary Accounts so that the balance would be zero (loan). Vice versa, if the Secondary Accounts had a remaining balance, the system would transfer such balance in the Secondary Accounts to the Primary Account which was a current account so that the Secondary Account balance would be zero (borrowing), and then transferred onto the Primary Account which was a savings account for interests.</p> <p>The said liquidity used centralized management to manage liquidity and financial costs. The lending interest rates of each company were calculated every month from the averaged interest rates of each company plus the difference.</p> <p>The average interest rate on the loan to BTH in 2021 was 2.13 percent per year. Such loan rate was higher than the Company's average financial costs and higher than the savings interest rate the Company received from commercial banks. The Company separated BTH's account from the Company's LMS system in April 2022</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were transactions to manage the Group's liquidity. The interest rate received was higher than the Company's average financial costs and higher than the savings deposit</p>
	Loans brought forward at the beginning of the period	-	
	Additional borrowing during the period	-	
	Received payment during the period	-	
	Loans remaining at the end of the period	-	

9.2.2.2 Transactions not recurring in the future / Transactions not considered to be related party transactions in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	
			interests which the Company received from commercial banks. Such transactions did not cause the Company to lose any benefits; therefore, they are considered appropriate, reasonable and beneficial to the Group.
	Interest expenses	1.6	Referring to liquidity management through the Liquidity Management System (LMS) above, at some points BTH's Secondary Account had a balance at the end of the day; hence, the said balance would be transferred to the Primary Account and the Company would pay the interests to BTH. BTH's average interest rates on loan to the Company for 2021 and the three-month period ending on 31 March 2022 equaled to 1.15 percent and 1.04 percent per year respectively. (Reference based on BTH's financial costs plus the difference). These rates were lower than the Company's average financial costs.
	Loans brought forward at the beginning of the period	1,320.0	
	Additional borrowing during the period	339.8	
	Received payment during the period	(1,659.8)	
	Loans remaining at the end of the period	-	
			The Company separated BTH's account from the Company's LMS system in April 2022.
			The Audit Committee's Opinion
			Such transactions were transactions to manage the Company's liquidity. The interest rates paid were lower than the Company's average financial costs and did not cause the Company to lose any benefits. Therefore, such transactions are considered appropriate and reasonable.
BTR and BFC	Interest income	0.001	Referring to liquidity management through the Liquidity Management System (LMS), the Company, BTR and BFC managed liquidity through LMS among the said companies. Such transactions were considered related party transactions since 1 March 2022 because the
	Loans brought forward at the beginning of the period	102.1	

9.2.2.2 Transactions not recurring in the future / Transactions not considered to be related party transactions in the future (Cont.)

Persons who may have conflicts	Transactions	Value (THB mm)	Necessity and reasonability of the transactions
		For the year ended December 31, 2022	
BTR and BFC (Cont.)	Additional borrowing during the period	-	<p>Company sold all of its shareholding in BTR and BFC to BTH on 1 March 2022. At some points the Secondary Accounts of the said companies were in the red, the Company's Primary Account would transfer money to the Secondary Accounts so that the balance would be zero.</p> <p>Hence, the Company received the average interest rate of 1.9 percent per year in March. However, the Company separated the accounts of BTR and BFC from the Company's LMS in April 2022.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were transactions to manage the Group's liquidity. The said companies used to be the Company's subsidiaries. However, such transactions will not recur in the future</p>
	Received payment during the period	(102.1)	
	Loans remaining at the end of the period	-	
BGR, BDS and BMC	Interest expenses	0.001	<p>Referring to liquidity management through the Liquidity Management System (LMS) among the Company, BGR, BDS and BMC, such transactions were related party transactions since 1 March 2022 because the Company sold all of its shareholding in BGR, BDS and BMC to BTH on 1 March 2022.</p> <p>At some points, the Secondary Accounts of the said companies had a balance at the end of the day. Therefore, such balance was transferred to the Company's Primary Account. The Company would pay interest to the said companies, and the average loan interest rate from BGR, BDS and BMC to the Company in March was 0.8-2.6 percent per year. However, the Company separated the accounts of BGR, BDS and BMC from the Company's LMS in April 2022.</p> <p>The Audit Committee's Opinion</p> <p>Such transactions were transactions to manage the Group's liquidity. The said companies used to be the Company's subsidiaries. However, such transactions will never recur in the future.</p>
	Loans brought forward at the beginning of the period	54.9	
	Additional borrowing during the period	0.7	
	Received payment during the period	(55.6)	
	Loans remaining at the end of the period	-	

9.2.3 Policy and Tendency of Future Related Party Transactions

9.2.3.1 Approval Measures and Procedures for Intercompany or Related Party Transactions

To make intercompany or related party transactions of the Company and its subsidiaries, the Company shall comply with the laws regarding securities and stock market, regulations, announcements and orders of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand. It shall also conform to the requirements regarding the disclosure of intercompany or related party transactions in the notes to financial statements audited by the Company's auditors and in the 56-1 One-Report.

In case the law stipulates that intercompany or related party transactions shall be approved by the Board of Directors' meeting and/or the shareholders' meeting (depending on the case), the Company shall hold an Audit Committee meeting before presenting its opinions to the Board of Directors' meeting so that the Audit Committee can audit, consider and propose their opinions on the necessity of making such transaction and its reasonability based on ethics and consideration to the benefits mainly for the Company and shareholders. In addition, the Board of Directors shall ensure that such transaction complies with the criteria of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand. It shall also consider the disclosure of accurate and complete information on intercompany or related party transactions to the public.

To make transactions which are trade agreements with general trade terms and those without general trade terms, the following principles apply:

1.1 Transactions which are trade agreements with general trade terms

In case the transactions are normal business transactions or transactions to support the Company's and its subsidiaries' normal business operation, the Board of Directors approved in principle that the management can approve intercompany or related party transactions between the Company and its subsidiaries and persons with possible conflicts of interest or related persons, if such transactions are trade agreements with general trade terms. The top executives and the management can approve such transactions without the approval from the Board of Directors' meeting and/or the shareholders' meeting (depending on the case). If such transactions have trade agreements in the same manner as wise people would have with general contract parties in similar situations, with trade bargaining power that is not influenced by one individual status which

may have conflicts or related persons (depending on the case) and not causing transfer of benefits, and/or can show that in making such transactions reasonable or fair prices or terms are set. All these shall be in compliance with the laws regarding securities and stock market, rules, announcements and orders of the Capital Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the requirements on the disclosure of information on intercompany or related party transactions.

The Company shall prepare a summary report for such transactions to report to the Audit Committee meeting and the Board of Directors' meeting every quarter.



1.2 Transactions which are trade agreements without general trade terms

The Audit Committee shall consider transactions which are trade agreements without general trade terms and give its opinions on the appropriateness of the prices, trade terms, necessity and reasonability of such transactions before proposing them to the Board of Directors and/or the shareholders' meeting (depending on the case) for further approval. The transactions shall be made in compliance with the laws regarding securities and stock market, regulations, announcements and orders of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand and as well as the requirements regarding the disclosure of information on intercompany and related party transactions.

In case the Audit Committee is not experienced in considering the intercompany or related party transactions that may occur, the Company shall appoint independent experts or the Company's auditors to give their opinions on such transactions so that the Audit Committee, the Board of Directors and/or shareholders (depending on the case) can use as supporting information for their consideration and decision making. Persons with possible conflicts of interest or interests in the transactions shall have no right to attend the meeting and cast their vote to approval such transactions. This is to ensure that such transactions are necessary and reasonable with consideration mainly to the Company's benefits. The Company shall disclose intercompany or related party transactions in its annual report and notes to financial statements audited by the Company's auditors.

9.2.3.2 Policy on Future Intercompany or Related Party Transactions

For future intercompany or related party transactions, the Company and its subsidiaries shall make them based on the approval measures and procedures for intercompany or related party transactions as specified by the Company. The directors with interests shall have no right to attend the meeting and cast their vote to approve such transactions. This is to ensure that the decision to make such transactions will not cause any conflict of interest but will bring maximum benefits to all shareholders. The Board of Directors shall comply with the laws on securities and stock market, regulations, announcements and orders of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the requirements on the disclosure of the Company's or its subsidiaries' information on intercompany or related party transactions based on the accounting standards specified by the Federation of Accounting Professions. Making such transactions will not be the Company's transfer or transfer of benefits but will be transactions with consideration to maximum benefits for the Company and all shareholders.



Part 3 Financial Statements

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Independent Auditor's Report

To the Shareholders of Betagro Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Betagro Public Company Limited and its subsidiaries (the "Group") and of Betagro Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the years then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate 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 judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Measurement of expected credit losses on trade accounts receivable

Refer to Notes 3 (f) and 6 to the consolidated and separate financial statements.

The key audit matter

The Group has implemented TFRS 9. This standard requires the Group to recognise expected credit losses (ECL) on financial instruments which involves significant judgement in estimation by the Group.

The Group measured expected credit losses on trade receivables are based on management's estimate of the lifetime expected credit loss, which is estimated by taking into account the credit history of the Group's customers, the current and future market environment.

I identified the measurement of expected credit losses as a key audit matter because trade receivables are material to the Group and the recognition of expected credit loss requires the exercise of significant management judgement.

How the matter was addressed in the audit

My audit procedures to assess measurement of expected credit losses on trade accounts receivable included the following:

- obtaining an understanding of and evaluating the design, implementation and operating effectiveness of key internal controls over the measurement of expected credit losses on trade receivables, including segmentation on trade receivables by risk characteristics, aging analysis review, forward-looking, management overlay and estimation of allowance for expected credit losses;
- testing the default data in the trade accounts receivable aging report with the relevant underlying documents on a sample basis;
- testing the trade accounts receivable aging report by comparing a sample with the relevant underlying documents and inspecting, on a sample basis, cash receipts from debtors subsequent from reporting date;
- evaluating the reasonableness of the economic factors used by management in the models to adjust losses rate based on current economic conditions and forward- looking information by comparing them to relevant market information;
- assessing overall data and assumptions used in management estimation whether the assumptions used in making the accounting estimate are reasonable, including interdependent and internally consistent for that accounting estimate;
- testing the calculation of expected credit losses on trade receivables; and
- considering the adequacy of disclosures in accordance with Thai financial reporting standards.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the

consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with 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, actions taken to eliminate threats or safeguards applied.

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



(Watchara Pattarapitak)

Certified Public Accountant

Registration No. 6669

KPMG Phoomchai Audit Ltd.

Bangkok

Statements of financial position

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	5,940,298,628	541,736,621	5,231,924,396	141,954,879
Trade accounts receivable	4, 6	5,968,575,600	5,365,082,785	5,243,952,382	3,940,689,478
Other receivables	4	683,897,108	664,075,059	238,543,354	264,547,136
Short-term loans	4	-	-	15,946,107,001	17,655,897,679
Current portion of long-term loans	4	-	-	352,279,641	-
Inventories	7, 14	14,711,466,504	14,111,072,211	8,540,062,641	7,643,096,682
Current biological assets	8	9,445,926,719	7,739,821,806	-	-
Other current assets		30,978,889	34,905,377	2,807,234	2,556,464
Total current assets		36,781,143,448	28,456,693,859	35,555,676,649	29,648,742,318
Non-current assets					
Investments in subsidiaries	10	-	-	9,793,131,102	8,802,716,033
Investments in associates	9	254,783,912	351,171,428	69,442,640	167,942,640
Investments in joint ventures	9	1,089,745,133	1,099,249,247	975,989,517	975,989,517
Other long-term investments		1,856,765	1,902,765	1,500,000	1,546,000
Long-term loans	4	-	-	687,199,075	1,020,933,899
Investment properties		-	-	6,182,169	44,390,136
Property, plant and equipment	11	18,944,885,370	18,809,147,384	4,526,620,072	3,998,172,771
Right-of-use assets	12	4,427,542,281	4,104,345,222	383,167,897	338,724,889
Non-current biological assets	8	1,630,192,761	1,293,906,759	-	-
Goodwill		35,613,880	40,242,324	-	-
Intangible assets	13	846,180,664	914,933,556	250,857,979	279,652,441
Deferred tax assets	24	975,548,754	2,078,186,565	158,772,580	155,753,587
Other non-current assets		246,707,753	325,314,696	66,420,569	99,741,304
Total non-current assets		28,453,057,273	29,018,399,946	16,919,283,600	15,885,563,217
Total assets		65,234,200,721	57,475,093,805	52,474,960,249	45,534,305,535

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

Statements of financial position (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2022	2021	2022	2021
		(in Baht)			
Current liabilities					
Short-term loans from financial institutions	14	12,243,482,307	15,117,370,765	11,341,299,407	12,697,590,393
Trade accounts payable	4	5,958,523,532	5,047,196,328	4,585,130,227	3,834,309,143
Other payables	4, 15	3,893,964,440	3,228,863,371	889,296,624	589,037,856
Current portion of debentures	14	2,798,890,501	3,000,000,000	2,798,890,501	3,000,000,000
Current portion of lease liabilities	4, 14	573,026,299	546,920,810	63,572,979	62,825,337
Short-term borrowings	4, 14	-	1,320,006,891	449,465,409	2,634,251,407
Income tax payable		167,671,841	297,520,149	56,183,144	130,315,710
Total current liabilities		25,635,558,920	28,557,878,314	20,183,838,291	22,948,329,846
Non-current liabilities					
Long-term loan from financial institutions	14	-	30,000,000	-	30,000,000
Lease liabilities	4, 14	3,864,542,781	3,575,759,607	328,863,803	281,828,467
Debentures	14	4,199,061,217	7,000,000,000	4,199,061,217	7,000,000,000
Provision for employee benefits	16	1,652,976,050	1,654,060,087	311,601,877	364,936,605
Deferred tax liabilities	24	26,659,977	-	-	-
Other non-current liabilities	17	1,191,031,443	1,135,169,544	33,730,122	42,156,360
Total non-current liabilities		10,934,271,468	13,394,989,238	4,873,257,019	7,718,921,432
Total liabilities		36,569,830,388	41,952,867,552	25,057,095,310	30,667,251,278

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

Statements of financial position (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2022	2021	2022	2021
<i>(in Baht)</i>					
Equity					
Share capital	18				
Authorised share capital		10,000,000,000	7,500,000,000	10,000,000,000	7,500,000,000
Issued and paid-up share capital		9,674,000,000	7,500,000,000	9,674,000,000	7,500,000,000
Share premium	18				
Share premium on ordinary shares		14,763,453,418	8,000,000	14,763,453,418	8,000,000
Differences on changes in ownership interests in subsidiaries	19	(908,429,272)	(12,817,465)	-	-
Retained earnings					
Appropriated to legal reserve	19	717,000,000	371,687,852	717,000,000	371,687,852
Unappropriated		4,187,505,054	7,845,072,970	2,250,991,742	6,996,605,355
Other components of equity	19	68,193,175	46,841,759	12,419,779	(9,238,950)
Equity attributable to owners of the parent		28,501,722,375	15,758,785,116	27,417,864,939	14,867,054,257
Non-controlling interests		162,647,958	(236,558,863)	-	-
Total equity		28,664,370,333	15,522,226,253	27,417,864,939	14,867,054,257
Total liabilities and equity		65,234,200,721	57,475,093,805	52,474,960,249	45,534,305,535

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

Statements of comprehensive income

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2022	2021	2022	2021
		(in Baht)			
Income	20				
Revenue from sale of goods	4	112,479,816,702	85,291,774,944	60,619,073,717	50,268,961,873
Revenue from rendering of services		145,818,246	132,188,013	-	-
Investment income	4, 21	39,917,199	20,277,873	6,252,563,603	1,126,458,073
Gain on changes in fair value of biological assets	8	91,220,377	177,677,191	-	-
Gain on sales of investment properties and property, plant and equipment	4	402,850,693	572,435,217	488,475,804	13,833,629
Gain on disposal of investments	4	120,091,847	-	194,086,480	-
Net foreign exchange gain		-	7,017,885	40,486,381	12,623,539
Net gain on derivatives		-	14,338,156	-	13,516,864
Other income	4	597,105,208	527,947,398	400,981,432	382,624,682
Total income		113,876,820,272	86,743,656,677	67,995,667,417	51,818,018,660
Expenses					
Cost of sale of goods	4, 7, 23	90,805,823,328	74,180,512,655	57,976,346,931	47,383,070,471
Cost of rendering of services	23	88,464,219	79,800,216	-	-
Distribution costs	4, 23	7,432,022,675	6,133,442,917	770,759,314	659,974,575
Administrative expenses	4, 23	5,161,526,927	4,780,483,600	1,772,494,741	1,686,460,569
Net foreign exchange loss		148,331,943	-	-	-
Net loss on derivatives		5,354,844	-	-	-
Total expenses		103,641,523,936	85,174,239,388	60,519,600,986	49,729,505,615
Profit from operating activities		10,235,296,336	1,569,417,289	7,476,066,431	2,088,513,045
Finance costs	4	(618,919,338)	(576,949,710)	(438,147,378)	(447,921,818)
Share of profit of associates and joint ventures	9	37,204,290	54,367,843	-	-
Profit before income tax		9,653,581,288	1,046,835,422	7,037,919,053	1,640,591,227
Tax expense	24	1,549,112,937	207,884,434	188,220,518	206,834,182
Profit for the year		8,104,468,351	838,950,988	6,849,698,535	1,433,757,045
Other comprehensive income					
Items that will or may be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		(307,313)	118,659,499	-	-
Gain on cash flow hedges		27,073,411	6,921,155	27,073,411	6,921,155
Income tax relating to items that will be or may be reclassified	24	(5,414,682)	(1,384,231)	(5,414,682)	(1,384,231)
Total items that will or may be reclassified subsequently to profit or loss		21,351,416	124,196,423	21,658,729	5,536,924
Items that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans	16	-	513,228,467	-	53,525,647
Loss on investments in equity instruments designated at FVOCI		-	(877,590)	-	-
Income tax relating to items that will not be reclassified	24	-	(102,645,693)	-	(10,705,129)
Total items that will not be reclassified to profit or loss		-	409,705,184	-	42,820,518
Other comprehensive income for the year, net of tax		21,351,416	533,901,607	21,658,729	48,357,442
Total comprehensive income for the year		8,125,819,767	1,372,852,595	6,871,357,264	1,482,114,487

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

Statements of comprehensive income (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2022	2021	2022	2021
		(in Baht)			
Profit (loss) attributable to:					
Owners of the parent		7,937,744,232	1,010,523,879	6,849,698,535	1,433,757,045
Non-controlling interests		166,724,119	(171,572,891)	-	-
Profit for the year		8,104,468,351	838,950,988	6,849,698,535	1,433,757,045
Total comprehensive income attributable to:					
Owners of the parent		7,959,095,648	1,544,425,486	6,871,357,264	1,482,114,487
Non-controlling interests		166,724,119	(171,572,891)	-	-
Total comprehensive income for the year		8,125,819,767	1,372,852,595	6,871,357,264	1,482,114,487
Earnings per share (in Baht)	25	5.05	1.53	4.36	2.17

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

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Consolidated financial statement													
		Retained earnings				Other components of equity							
		Issued and paid-up share capital	Share premium	Differences on changes in ownership interests in subsidiaries	Legal reserve	Unappropriated	Fair value reserve	Hedging reserve	Translation reserve	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Note													
(in Baht)													
Year ended 31 December 2021													
Balance at 1 January 2021		3,000,000,000	8,000,000	(12,817,465)	300,000,000	13,845,654,169	877,590	(14,775,874)	(62,578,790)	(76,477,074)	17,064,359,630	81,735,061	17,146,094,691
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the parent													
Issue of ordinary shares	18	4,500,000,000	-	-	-	-	-	-	-	-	4,500,000,000	-	4,500,000,000
Dividends	26	-	-	-	-	(7,350,000,000)	-	-	-	-	(7,350,000,000)	-	(7,350,000,000)
Total contributions by and distributions to owners of the parent		4,500,000,000	-	-	-	(7,350,000,000)	-	-	-	-	(2,850,000,000)	-	(2,850,000,000)
Changes in ownership interests in subsidiaries													
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	-	(126,556,827)	(126,556,827)
Dividends from subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(20,164,206)	(20,164,206)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	(146,721,033)	(146,721,033)
Comprehensive income for the year													
Profit (loss)		-	-	-	-	1,010,523,879	-	-	-	-	1,010,523,879	(171,572,891)	838,950,988
Other comprehensive income		-	-	-	-	410,582,774	(877,590)	5,536,924	118,659,499	123,318,833	533,901,607	-	533,901,607
Total comprehensive income for the year		-	-	-	-	1,421,106,653	(877,590)	5,536,924	118,659,499	123,318,833	1,544,425,486	(171,572,891)	1,372,852,595
Transfer to legal reserve	19	-	-	-	71,687,852	(71,687,852)	-	-	-	-	-	-	-
Balance at 31 December 2021		7,500,000,000	8,000,000	(12,817,465)	371,687,852	7,845,072,970	-	(9,238,950)	56,080,709	46,841,759	15,758,785,116	(236,558,863)	15,522,226,253

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Consolidated financial statement											
					Retained earnings						
	Issued and paid-up share capital	Share premium	Differences on changes in ownership interests in subsidiaries	Legal reserve	Unappropriated	Hedging reserve	Translation reserve	Total other components of equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity
Note											
(in Baht)											
Year ended 31 December 2022											
Balance at 1 January 2022	7,500,000,000	8,000,000	(12,817,465)	371,687,852	7,845,072,970	(9,238,950)	56,080,709	46,841,759	15,758,785,116	(236,558,863)	15,522,226,253
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the parent											
Issue of ordinary shares	18	2,174,000,000	14,755,453,418	-	-	-	-	-	16,929,453,418	-	16,929,453,418
Dividends	26	-	-	-	(11,250,000,000)	-	-	-	(11,250,000,000)	-	(11,250,000,000)
Total contributions by and distributions to owners of the parent											
	2,174,000,000	14,755,453,418	-	-	(11,250,000,000)	-	-	-	5,679,453,418	-	5,679,453,418
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests without a change in control	10	-	-	(894,558,115)	-	-	-	-	(894,558,115)	247,998,353	(646,559,762)
Changes in non-controlling interests		-	-	(1,053,692)	-	-	-	-	(1,053,692)	-	(1,053,692)
Dividends from subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(15,515,651)	(15,515,651)
Total changes in ownership interests in subsidiaries											
	-	-	(895,611,807)	-	-	-	-	-	(895,611,807)	232,482,702	(663,129,105)
Comprehensive income for the year											
Profit		-	-	-	7,937,744,232	-	-	-	7,937,744,232	166,724,119	8,104,468,351
Other comprehensive income		-	-	-	-	21,658,729	(307,313)	21,351,416	21,351,416	-	21,351,416
Total comprehensive income for the year											
	-	-	-	-	7,937,744,232	21,658,729	(307,313)	21,351,416	7,959,095,648	166,724,119	8,125,819,767
Transfer to legal reserve	19	-	-	-	345,312,148	(345,312,148)	-	-	-	-	-
Balance at 31 December 2022	9,674,000,000	14,763,453,418	(908,429,272)	717,000,000	4,187,505,054	12,419,779	55,773,396	68,193,175	28,501,722,375	162,647,958	28,664,370,333

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

		Separate financial statements				Other component	
				Retained earnings		of equity	
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Cash flow hedge reserve	Total equity
(in Baht)							
Year ended 31 December 2021							
Balance at 1 January 2021		3,000,000,000	8,000,000	300,000,000	12,941,715,644	(14,775,874)	16,234,939,770
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	18	4,500,000,000	-	-	-	-	4,500,000,000
Dividends	26	-	-	-	(7,350,000,000)	-	(7,350,000,000)
Total contributions by and distributions to owners		4,500,000,000	-	-	(7,350,000,000)	-	(2,850,000,000)
Comprehensive income for the year							
Profit		-	-	-	1,433,757,045	-	1,433,757,045
Other comprehensive income		-	-	-	42,820,518	5,536,924	48,357,442
Total comprehensive income for the year		-	-	-	1,476,577,563	5,536,924	1,482,114,487
Transfer to legal reserve	19	-	-	71,687,852	(71,687,852)	-	-
Balance at 31 December 2021		7,500,000,000	8,000,000	371,687,852	6,996,605,355	(9,238,950)	14,867,054,257

Statements of cash flows

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	8,104,468,351	838,950,988	6,849,698,535	1,433,757,045
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	1,549,112,937	207,884,434	188,220,518	206,834,182
Finance costs	618,919,338	576,949,710	438,147,378	447,921,818
Depreciation and amortisation	4,243,223,743	4,065,774,540	624,239,027	649,312,894
Loss on impairment of investments	-	-	98,500,000	384,619,416
Allowance for expected credit loss of loans to related parties	-	-	3,529,925	19,288,513
Unrealised (gain) loss on foreign exchange	102,478,397	35,122,291	(7,788,227)	15,924,370
Unrealised (gain) loss on derivatives	5,354,844	(14,338,156)	-	(13,516,864)
Gain on changes in fair value of biological assets	(91,220,377)	(177,677,191)	-	-
Share of profit in associates and joint ventures (net of tax)	(37,204,290)	(54,367,843)	-	-
(Reversal of) allowance for expected credit loss	(59,973,098)	196,405,786	19,903,491	43,870,697
(Reversal of) loss on devaluation of inventories	(79,854,255)	(56,544,948)	(188,715)	188,567
Gain on sales of investment properties and property, plant and equipment	(402,850,693)	(572,435,217)	(488,475,804)	(13,833,629)
Gain on sale of investment	(120,091,847)	-	(194,086,480)	-
Loss on disposal of intangible assets	19,123,645	9,628,778	-	203,776
Loss on impairment of buildings and improvements	-	93,774,940	-	-
Investment income	(39,917,199)	(20,277,873)	(6,252,563,603)	(1,126,458,073)
Provision for employee benefits	142,228,401	216,963,591	33,398,392	39,525,964
	13,953,797,897	5,345,813,830	1,312,534,437	2,087,638,676
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(573,012,158)	(1,547,173,598)	(1,323,166,395)	(537,269,309)
Other receivables	(74,820,410)	(28,352,898)	2,551,181	(16,034,874)
Inventories and biological assets	(3,578,177,547)	(4,845,626,799)	(896,777,244)	(1,271,769,150)
Other current assets	2,650,798	37,335,932	(250,769)	70,275
Other non-current assets	61,546,415	(108,015,738)	31,272,451	(44,435,481)
Trade accounts payable	812,783,855	626,755,573	758,609,311	471,074,589
Other payables	760,188,843	(465,719,480)	398,391,565	(85,780,271)
Employee benefit obligations paid	(143,448,843)	(97,189,904)	(86,733,120)	(15,268,243)
Other non-current liabilities	62,577,294	(247,414,556)	(8,426,239)	24,795,525
Net cash generated from (used in) operating	11,284,086,144	(1,329,587,638)	188,005,178	613,021,737
Taxes paid	(549,299,655)	(257,158,751)	(270,786,758)	(176,092,115)
Net cash from (used in) operating activities	10,734,786,489	(1,586,746,389)	(82,781,580)	436,929,622

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

Statements of cash flows (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	(in Baht)			
<i>Cash flows from investing activities</i>				
Acquisition of investments in subsidiaries and joint ventures	-	-	(538,400,842)	(189,389,427)
Proceeds from sale of investments in subsidiaries	389,079,672	-	390,822,253	999,700
Proceeds from sale of other long-term investments	46,000	499,700	46,000	-
Proceeds from sale of property, plant and equipment	594,078,877	865,175,181	581,200,357	15,269,192
Acquisition of property, plant and equipment and leasehold rights	(3,048,339,541)	(2,035,546,642)	(1,137,699,267)	(1,146,554,789)
Acquisition of intangible assets	(122,274,020)	(62,713,051)	(28,738,899)	(28,359,283)
Proceeds from repayment of loans	-	477,532,500	95,697,391,582	55,761,725,422
Loans	-	(477,532,500)	(94,009,675,646)	(58,369,231,391)
Dividends received	143,095,950	35,732,679	5,898,159,093	785,488,566
Interest received	39,917,199	20,277,873	377,857,111	389,834,046
Net cash from (used in) investing activities	(2,004,395,863)	(1,176,574,260)	7,230,961,742	(2,780,217,964)
<i>Cash flows from financing activities</i>				
Share premium	14,755,453,418	-	14,755,453,418	-
Proceeds from issue ordinary shares	2,174,000,000	4,500,000,000	2,174,000,000	4,500,000,000
Payment of change in ownership interests in subsidiaries without a change in control	-	(126,556,827)	-	-
Increase (decrease) in short-term loans from financial institutions	(7,049,946,702)	3,876,748,211	(5,534,800,402)	2,940,665,009
Repayment of long-term loan	(30,000,000)	-	(30,000,000)	-
Repayment of debentures	(3,000,000,000)	(3,000,000,000)	(3,000,000,000)	(3,000,000,000)
Proceeds from bills of exchange	32,765,776,753	6,294,352,930	32,765,776,753	6,294,352,930
Repayment of bills of exchange	(28,621,026,611)	(1,647,238,056)	(28,621,026,611)	(1,647,238,056)
Proceeds from short-term borrowings	339,810,425	8,266,226,656	13,287,705,627	27,035,875,220
Repayment of short-term borrowings	(1,557,554,959)	(6,946,219,765)	(15,472,491,624)	(25,869,132,415)
Payment of lease liabilities	(753,736,534)	(711,526,727)	(89,516,023)	(61,092,582)
Dividends paid	(11,250,000,000)	(7,350,000,000)	(11,250,000,000)	(7,350,000,000)
Dividends paid from subsidiaries to non-controlling interests	(15,515,651)	(20,164,206)	-	-
Interest paid	(446,103,666)	(433,150,074)	(394,561,783)	(426,510,208)
Proceeds from change in shareholding proportion in subsidiaries	5,764,908	-	-	-
Cash paid from change in shareholding proportion in subsidiaries	(648,750,000)	-	(648,750,000)	-
Net cash from (used in) financing activities	(3,331,828,619)	2,702,472,142	(2,058,210,645)	2,416,919,898
Net increase (decrease) in cash and cash equivalents	5,398,562,007	(60,848,507)	5,089,969,517	73,631,556
Cash and cash equivalents at 1 January	541,736,621	602,585,128	141,954,879	68,323,323
Cash and cash equivalents at 31 December	5,940,298,628	541,736,621	5,231,924,396	141,954,879

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

Notes to the financial statements

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

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Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 28 February 2023.

1 General information

Betagro Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in November 2022. The Company’s registered offices at 323 Betagro Tower (North Park), Moo 6, Vibhavadi Rangsit Road, Kwaeng Thungsonghong, Ket Laksi, Bangkok, Thailand.

The major shareholder of the Group during the financial year was Betagro Holding Co., Ltd., which is incorporated in Thailand.

The principal businesses of the Company and its subsidiaries (the “Group”) are operating in agro business, consumer foods, non-package meat products, co and by-product and other food, livestock, pet, and other businesses. Details of the Company’s associates, joint ventures and subsidiaries as at 31 December 2022 and 2021 are given in notes 9 and 10.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies, described in the notes, have been applied consistently to all periods presented in these financial statements.

The consolidated financial statements relate to the Company and its subsidiaries and joint operations (together referred to as the “Group”) and the Group’s interests in associates and joint ventures. The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. When there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other differences in shareholders' equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

The Group elect to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is an assets rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

(b) *Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) *Foreign currencies*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent the hedge is effective are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions. Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

(d) *Financial instruments*

(d.1) *Recognition and initial measurement*

Debt securities issued by the Group are initially recognised when they are originated. Other financial assets and financial liabilities except for trade receivables (see note 3 (f)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) *Derecognition and offsetting*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 3(d.4)).

(d.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is recognised in a cash flow hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the cash flow hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve are immediately reclassified to profit or loss.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

(d.5) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and loan commitments issued which are not measured at FVTPL.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration in significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

(d.6) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of average cost and net realisable value. Cost is calculated using the standard cost adjusted to approximate average cost. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Biological assets

Biological assets are measured at fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological asset), except for the case where the fair value cannot be measured reliably, they are measured at cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

Non-current biological assets, mainly consisting of swine breeders, are separately presented under the caption "Non-current assets". Other biological assets are presented under the caption "Current assets" in the statement of financial position.

Deprecation of biological assets such as swine breeders is calculated using the straight line basis from cost less estimate residual value over their useful lives of swine breeders which range approximately 2.5 - 4 years. Chicken breeders are amortised using the units of production method over useful lives of approximately 10 months.

(i) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings 5-30 years and recognised in profit or loss. No depreciation is charged on freehold land and assets under construction.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(j) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs and other costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Land improvements	5 - 30	years
Leasehold land improvement	5 - 25	years
Factory, factory improvements and leasehold building improvements	5 - 35	years
Machinery, silo and equipment	2 - 30	years
Furniture, fixtures and office equipment	3 - 20	years
Transportation equipment	5 - 10	years
Utility systems	5 - 20	years

(k) Intangible assets

Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment. Internally generated goodwill and brands, is recognised in profit or loss as incurred.

Other intangible assets

Intangible assets that have indefinite useful lives are measured at cost less impairment losses. Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	5 - 10	years
Licences, patents and trademarks	5 - 10	years

(l) Leases

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

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from its financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group determines a finance lease contract when the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If not, then it is an operating lease.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group recognises lease payments received in profit or loss on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 3(d).

(m) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) *Employee benefits*

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(p) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

(q) Revenue from contracts with customers

Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

Revenue for rendering of services including revenue from provision of research of food ingredient and test of food contaminant. Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

(r) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(t) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(u) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

4 Related parties

Relationships with parent, subsidiaries, associates and joint ventures are described in notes 1, 9 and 10. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation /nationality	Nature of relationships
Key Management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group.
B & T Realty Company Limited	Thailand	Common director
Betagro Restaurant Company Limited	Thailand	Common director
Betagro Mermaid Company Limited	Thailand	Common director
Betagro Land Company Limited	Thailand	Common director
Polar Bear Mission Company Limited	Thailand	Parent hold the investment

Significant transactions with related parties Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in million Baht)			
Parent				
Gain on disposal of investments	120	-	194	-
Interest expense	2	14	2	14
Subsidiaries				
Sale of goods	-	-	36,579	29,816
Sales of property, plant and equipment	-	-	97	-
Interest income	-	-	335	367
Dividend income	-	-	5,736	665
Other income	-	-	219	214
Purchases of goods	-	-	3,044	2,377
Interest expense	-	-	10	16
Other expenses	-	-	11	22
Associates				
Sale of goods	1,529	954	-	-
Other income	-	1	-	-
Purchase of goods	7	1	-	-
Other expenses	6	4	-	-
Joint ventures				
Sale of goods	1,600	1,347	-	-
Revenue from rendering of services	18	18	-	-
Dividend income	-	-	142	75
Other income	-	1	-	-
Purchases of goods	760	526	-	-
Other expenses	1	1	-	-

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Other related parties				
Sale of goods	52	-	-	-
Revenue from rendering of services	1	-	-	-
Sale of property, plant and equipment	472	786	472	-
Other income	-	1	-	-
Purchases of goods	54	-	-	-
Purchases of property, plant and equipment	350	-	-	-
Other expenses	101	116	2	1

Key management personnel

Key management personnel compensation				
Short-term benefit	<u>143</u>	<u>127</u>	<u>143</u>	<u>127</u>

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Trade accounts receivable				
Subsidiaries	-	-	3,540	2,717
Associates	128	84	-	-
Joint ventures	132	135	-	-
Related parties	5	-	1	-
Net	<u>265</u>	<u>219</u>	<u>3,541</u>	<u>2,717</u>

Other receivables

Subsidiaries	<u>-</u>	<u>-</u>	<u>32</u>	<u>37</u>
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Movement of short-term loans to related parties

	Interest rate	Consolidated financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			<i>(in million Baht)</i>		
2021					
Parent	-	<u>-</u>	478	(478)	<u>-</u>
	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			<i>(in million Baht)</i>		
2022					
Subsidiaries	0.9 - 2.6	<u>17,656</u>	90,637	(92,347)	<u>15,946</u>
2021					
Parent	-	<u>-</u>	478	(478)	<u>-</u>
Subsidiaries	0.8 - 2.5	<u>15,146</u>	57,690	(55,180)	<u>17,656</u>
Total		<u>15,146</u>			<u>17,656</u>

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Movement of long-term loans to related parties

	Interest rate At 31 December (% per annum)	At 1 January	Separate financial statements		At 31 December
			Increase (in million Baht)	Decrease	
2022					
Subsidiaries	0.9 - 3.7	1,365	3,372	(3,350)	1,387
Less allowance for expected credit loss		(344)			(348)
Total		1,021			1,039
2021					
Subsidiaries	0.8 - 3.7	1,267	202	(104)	1,365
Less allowance for expected credit loss		(324)			(344)
Total		943			1,021

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in million Baht)			
Balances with related parties At 31 December				
Trade accounts payable				
Subsidiaries	-	-	737	542
Associates	1	-	-	-
Joint ventures	80	62	-	-
Other related parties	-	11	-	-
Total	81	73	737	542
Other payables				
Subsidiaries	-	-	9	22
Other related parties	20	-	1	-
Total	20	-	10	22
Lease liabilities				
Subsidiaries	-	-	1	2
Other related parties	97	3	51	1
Total	97	3	52	3

Movement of short-term borrowings from related parties

	Interest rate At 31 December (% per annum)	At 1 January	Consolidated financial statements		At 31 December
			Increase (in million Baht)	Decrease	
2022					
Parent	-	1,320	340	(1,660)	-
2021					
Parent	1.1 - 2.4	-	7,585	(6,265)	1,320

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Interest rate	At	At	Separate financial statements		At
	At	31 December	1 January	Increase	Decrease	31 December
	(% per annum)			(in million Baht)		
2022						
Parent	-		1,320	340	(1,660)	-
Subsidiaries	0.9 - 2.6		1,314	12,948	(13,813)	449
Total			2,634			449
2021						
Parent	1.1 - 2.4		-	7,585	(6,265)	1,320
Subsidiaries	0.8 - 2.5		1,468	19,450	(19,604)	1,314
Total			1,468			2,634

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in million Baht)			
Cash on hand	73	113	-	-
Cash at financial institutions	5,867	429	5,232	142
Total	5,940	542	5,232	142

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in million Baht)			
At 31 December				
Within credit terms	4,792	4,599	5,231	3,904
Overdue:				
Less than 3 months	1,210	757	76	80
3 - 6 months	23	141	-	6
6 - 12 months	58	49	12	2
More than 12 months	147	140	32	36
Total	6,230	5,686	5,351	4,028
Less allowance for expected credit loss	(261)	(321)	(107)	(87)
Net	5,969	5,365	5,244	3,941

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in million Baht)			
Allowance for expected credit loss				
At 1 January	321	124	87	43
Addition	177	216	23	47
Reversal	(101)	-	-	-
Write-off	(136)	(19)	(3)	(3)
At 31 December	261	321	107	87

Information of credit risk is disclosed in note 27 (b.1).

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Finished goods and merchandise inventories	3,352	3,945	417	314
Work in process	212	134	171	109
Raw materials and supplies	10,811	9,729	7,894	7,165
Goods and raw materials in transit	398	445	59	56
	<u>14,773</u>	<u>14,253</u>	<u>8,541</u>	<u>7,644</u>
Less allowance for inventories devaluation	<u>(62)</u>	<u>(142)</u>	<u>(1)</u>	<u>(1)</u>
Net	<u>14,711</u>	<u>14,111</u>	<u>8,540</u>	<u>7,643</u>
Write-down to net realisable value (reversal of) recognised as an expense in cost of sale of goods	<u>(80)</u>	<u>(56)</u>	<u>-</u>	<u>1</u>
Carrying value of inventories subject to pledged to secure liabilities	<u>2,760</u>	<u>2,348</u>	<u>2,515</u>	<u>1,500</u>

The Company and some subsidiaries have reassigned the beneficiaries of insurance policies covering their finished goods to certain local financial institutions as collateral for credit facilities as discussed in note 14.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

8 Biological assets

	Consolidated financial statements		
	Livestock	Aquatic (in million Baht)	Total
As at 1 January 2021	7,059	222	7,281
Increases due to purchase/raise	17,351	237	17,588
Decreases due to sales	(14,830)	(221)	(15,051)
Depreciation	(961)	(1)	(962)
Gain on change in fair value less cost to sell	178	-	178
As at 31 December 2021 and 1 January 2022	8,797	237	9,034
Increases due to purchase/raise	15,887	250	16,137
Decreases due to sales	(12,840)	(245)	(13,085)
Depreciation	(1,100)	(1)	(1,101)
Gain on change in fair value less cost to sell	91	-	91
As at 31 December 2022	10,835	241	11,076
As at 31 December 2021			
Current	7,507	233	7,740
Non-current	1,290	4	1,294
Total	8,797	237	9,034
As at 31 December 2022			
Current	9,209	237	9,446
Non-current	1,626	4	1,630
Total	10,835	241	11,076

An analysis of the estimates of physical quantities of the Group's biological assets as at 31 December were as follows:

	Consolidated financial statements	
	2022	2021
	(Million heads)	
Livestock	37	33
Aquatic	30	40

Biological assets are comprised of livestock biological assets including breeding swine and chicken, fattening swine and chicken; and aquatic biological assets such as fish. Fattening swine are measured at fair value less costs to sell using quoted prices at the end of reporting period as market references. Breeding swine, chicken and fish are measured at cost less accumulated depreciation and impairment losses since valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, weather, disease etc., or they have short production cycle or the market prices at present condition of the biological assets are unavailable.

For the year ended 31 December 2022, the Group had gain on sale of retired breeding swine and chicken totalling Baht 417 million (2021: loss of Baht 43 million).

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Fair value measurement

The fair value of the Group's biological assets (fattening swine) including carrying amount in the consolidated financial statements was as follows:

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in million Baht)			
31 December 2022					
Biological assets at fair value					
less cost to sell	341	-	341	-	341
31 December 2021					
Biological assets at fair value					
less cost to sell	410	-	410	-	410

The valuation technique and the inputs used in measuring the fair value of those biological assets categorised in Level 2 is market comparison approach which use quote prices based on market prices at the reporting date.

Risk management strategy related to agricultural activities

The Group is exposed to the following risks relating to its raise of biological assets.

Regulatory and environmental risks

The Group is subject to laws and regulations in Thailand relating to raise and distribution of swine, chicken and fish. The Group has set up the related department and policies aimed at compliance with the environmental and others relating to the laws and regulations.

Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and sales volume of swine, chicken and fish. The Group manages this risk by aligning its raise volume to market supply and demand. The management performs regular industry trend analyses and extending distribution channels of processed products from such biological assets.

Climate and disease risks

The Group's biological assets is exposed to risk of damage from climate change and disease. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including establishment of suitable raising environment, regular health inspections and compliance with disease control of related industries.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

9 Investments in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Associates				
At 1 January	351	385	168	468
Purchase of share	-	20	-	-
Share of net loss of associates	(96)	(54)	-	-
Impairment losses	-	-	(99)	(300)
At 31 December	255	351	69	168
Joint ventures				
At 1 January	1,099	1,066	976	976
Share of net profits of joint ventures	133	108	-	-
Dividend income	(142)	(75)	-	-
At 31 December	1,090	1,099	976	976

In December 2021, the subsidiary purchased 40% share capital of Kerry Betagro Company Limited amounting to Baht 20 million, which was accounted as an associate because the Group has significant influence over the entity.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Investments in associates and joint ventures as at 31 December and dividend income from those investments for the years then ended, were as follows:

Consolidated financial statements												
Type of business	Country of incorporation	Ownership Interest		Paid-up capital		Cost method		Equity method		Dividend income		
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
		(%)		(in million Baht)								
Associates												
Asian Best Chicken Co., Ltd.	Manufacturing frozen chicken products	Thailand	25	25	1,833	1,833	458	458	63	170	-	-
Kerry Betagro Company Limited	Cold chain delivery	Thailand	40	40	50	50	20	20	-	18	-	-
Kobe-Ya Shokuhin Kogyo Co., Ltd.	Trading	Thailand	30	30	32	32	10	10	149	124	-	-
Boston Trading Inc.	Trading	Japan	30	30	5	5	4	4	43	39	-	-
					<u>1,920</u>	<u>1,920</u>	<u>492</u>	<u>492</u>	<u>255</u>	<u>351</u>	<u>-</u>	<u>-</u>
Joint ventures												
Ajinomoto Betagro Frozen Foods (Thailand) Company Limited	Manufacturing frozen chicken products	Thailand	50	50	764	764	689	689	765	750	95	46
Ajinomoto Betagro Specialty Foods Company Limited	Manufacturing frozen pork products	Thailand	49	49	390	390	191	191	212	216	19	19
Itoham Betagro Foods Company Limited	Manufacturing and selling of frozen products	Thailand	47	47	172	172	96	96	111	131	28	10
Betagro-Pomme Food Co., Ltd. (in process of liquidation)	Food and beverage restaurant business	Thailand	49	49	29	29	14	14	2	2	-	-
					<u>1,355</u>	<u>1,355</u>	<u>990</u>	<u>990</u>	<u>1,090</u>	<u>1,099</u>	<u>142</u>	<u>75</u>

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

		Separate financial statements												
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)		(in million Baht)									
Associates														
Asian Best Chicken Co., Ltd.	Manufacturing frozen chicken products	Thailand	25	25	1,833	1,833	458	458	(399)	(300)	59	158	-	-
Kobe-Ya Shokuhin Kogyo Co., Ltd.	Trading	Thailand	30	30	13	13	10	10	-	-	10	10	-	-
					<u>1,846</u>	<u>1,846</u>	<u>468</u>	<u>468</u>	<u>(399)</u>	<u>(300)</u>	<u>69</u>	<u>168</u>	<u>-</u>	<u>-</u>
Joint ventures														
Ajinomoto Betagro Frozen Foods (Thailand) Co., Ltd.	Manufacturing frozen chicken products	Thailand	50	50	764	764	689	689	-	-	689	689	95	46
Ajinomoto Betagro Specialty Foods Company Limited	Manufacturing frozen pork products	Thailand	49	49	390	390	191	191	-	-	191	191	19	19
Itoham Betagro Foods Company Limited	Manufacturing and selling of frozen products	Thailand	47	47	172	172	96	96	-	-	96	96	28	10
Betagro-Pomme Food Co., Ltd. (in process of liquidation)	Food and beverage restaurant business	Thailand	49	49	29	29	14	14	(14)	(14)	-	-	-	-
					<u>1,355</u>	<u>1,355</u>	<u>990</u>	<u>990</u>	<u>(14)</u>	<u>(14)</u>	<u>976</u>	<u>976</u>	<u>142</u>	<u>75</u>

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Joint ventures

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Ajinomoto Betagro Frozen Foods (Thailand) Company Limited		Ajinomoto Betagro Specialty Foods Company Limited		Itoham Betagro Foods Company Limited		Betagro-Pomme Food Co., Ltd.	
	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in million Baht)</i>							
Revenue	2,860	2,209	455	459	367	273	-	-
Profit from continuing operations	221	154	31	45	17	18	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income (100%)	221	154	31	45	17	18	-	-
The Group's share of total comprehensive income	110	77	15	22	8	9	-	-
Current assets	1,558	1,442	409	439	173	196	1	1
Non-current assets	304	337	88	106	119	126	3	3
Current liabilities	(283)	(232)	(39)	(78)	(47)	(35)	-	-
Non-current liabilities	(49)	(47)	(26)	(26)	(9)	(8)	-	-
Net assets (100%)	1,530	1,500	432	441	236	279	4	4
Group's share of net assets	765	750	212	216	111	131	2	2
Carrying amount of interest in joint ventures	765	750	212	216	111	131	2	2
Remark:								
a. Includes:								
- depreciation and amortisation	53	59	18	20	10	10	-	-
- income tax expense	47	33	8	9	5	-	-	-
b. Includes cash and cash, equivalents	1,116	1,003	338	349	1	15	1	-

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Material associates

The following table summarises the financial information of the material associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Asian Best Chicken Co., Ltd.	
	2022	2021
	(in million Baht)	
Revenue	952	610
Loss from continuing operations	(429)	(272)
Other comprehensive income	-	-
Total comprehensive income (100%)	<u>(429)</u>	<u>(272)</u>
Total comprehensive income of the Group's interest	<u>(107)</u>	<u>(68)</u>
The Group's share of total comprehensive income	<u>(107)</u>	<u>(68)</u>
Current assets	170	129
Non-current assets	1,337	1,530
Current liabilities	(1,247)	(967)
Non-current liabilities	(9)	(12)
Net assets (100%)	<u>251</u>	<u>680</u>
Group's share of net assets	<u>63</u>	<u>170</u>
Carrying amount of interest in associates	<u>63</u>	<u>170</u>
Remark:		
a. Includes:		
- depreciation and amortisation	213	211
- interest expense	13	6
b. Includes cash and cash equivalents	9	11

Immaterial associates

The following is summarised financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements:

	Immaterial Associates	
	2022	2021
	(in million Baht)	
Carrying amount of interests in immaterial associate	<u>192</u>	<u>181</u>
Group's share of:		
- Profit from continuing operations	11	14
- Other comprehensive income	-	-
- Total comprehensive income	<u>11</u>	<u>14</u>

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

10 Investments in subsidiaries

	Separate financial statements	
	2022	2021
	(in million Baht)	
Subsidiaries		
At 1 January	8,803	8,698
Acquisition of investment in subsidiaries	649	189
Increase of capital in subsidiary	538	-
Disposal of investment in subsidiaries	(633)	(1)
Reversal of (loss) on impairment	436	(83)
At 31 December	9,793	8,803

On 28 February 2022, the Group and the Company sold its interests in subsidiaries to Betagro Holding Co., Ltd., (the parent company). The information of the carrying amounts, cash received and the differences in values arising from these transactions as of the disposal date recognised under profit or loss are as follows:

	Consolidated financial statements			
Name of the entity	Share-holding percentage (%)	Carrying amount	Cash received (in million Baht)	Profit (loss)
B & T Realty Company Limited	99.97	201	310	109
Betagro Restaurant Company Limited	99.99	60	65	5
Betagro Digital Services Company Limited	99.99	3	3	-
Betagro First Collection Company Limited	81.82	(6)	1	7
Betagro Mermaid Company Limited	79.99	13	12	(1)
Total		271	391	120

	Separate financial statements			
Name of the entity	Share-holding percentage (%)	Carrying amount	Cash received (in million Baht)	Profit
B & T Realty Company Limited	99.97	150	310	160
Betagro Restaurant Company Limited	99.99	47	65	18
Betagro Digital Services Company Limited	99.99	-	3	3
Betagro First Collection Company Limited	81.82	-	1	1
Betagro Mermaid Company Limited	79.99	-	12	12
Total		197	391	194

In July 2022, BTG LV Co., Ltd., a subsidiary, registered the authorised share capital of Betagro (Lao) Feedmill Company Limited (100% shareholding) amounting to LAK 75,000 million, equivalent to Baht 172.80 million.

In August 2022, the Company purchased the addition of existing ordinary shares of B. Foods Product International Company Limited, a subsidiary, of 750,000 shares for a consideration of Baht 648.75 million, increasing its ownership from 75% to 100%. The Group recognise the difference from changing proportion of investment in subsidiary in consolidated statements of financial position totalling Baht 896.75 million.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

In August 2022, the Company increased of authorised share capital of Betagro (Cambodia) Company Limited, a wholly owned subsidiary amounting to USD 14 million, equivalent to Baht 502.40 million.

In August 2022, the Company initially invested in the ordinary shares of Betagro Ventures Co., Ltd. (a subsidiary) with registered capital amounting to Baht 100 million. In this regard, the subsidiary initially called for 30% paid-up of share capital so the Company paid for the shares amounting to Baht 30 million, bringing the Company's ownership interest in such subsidiary to 100%.

In October 2022, the Company increased of authorised share capital of Betagro Treasury Center Company Limited, a wholly owned subsidiary amounting to Baht 6 million.

Acquisitions

During 2021, the Company acquired additional interests: B&C Pulaski Company Limited, Betagro Agro Industry Company Limited and Thai SPF Products Company Limited. for Baht 10 million, 63 million and 115 million, respectively in cash, increasing its ownership from 59.9% to 99.9%, from 97.3% to 99.9% and from 84.9% to 99.9%, respectively.

During 2021, the Company initially invested in Hobby Farmer Company Limited totalling Baht 1 million.

Redemption of capital

During 2021, the Company sold its entire investment in Holistic Area Based Development for Society Co., Ltd., a subsidiary, for Baht 1 million.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Separate financial statements																
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income			
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		
			(%)		(in million Baht)											
Subsidiaries																
Betagro Southern Company Limited <i>(in process of liquidation)</i>	Manufacturing animal feeds, raising swine and chicken for sale	Thailand	99.9	99.9	268	268	268	268	(268)	(268)	-	-	-	-		
Betagro Hybrid Company Limited	Leasing out swine farm	Thailand	99.9	99.9	55	55	302	302	-	-	302	302	38	-		
Betagro Farming Company Limited	Leasing out chicken farm	Thailand	99.9	99.9	50	50	450	450	-	-	450	450	25	-		
Betagro Science Center Company Limited	Biochemical analysis service	Thailand	99.9	99.9	98	98	122	122	-	-	122	122	147	28		
B & T Realty Company Limited	Leasing out property	Thailand	-	99.9	-	150	-	150	-	-	-	150	-	154		
B. Feedmill Company Limited	Leasing out property	Thailand	99.9	99.9	10	10	15	15	-	-	15	15	4	-		
B. Foods Product International Company Limited	Manufacturing of frozen chicken products and chicken farming	Thailand	99.9	75.0	300	300	874	225	-	-	874	225	-	-		

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Separate financial statements														
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)		(in million Baht)									
B. International and Technology Company Limited	Production and distribution of machines and equipment for animal feedmill production	Thailand	99.9	99.9	2	2	10	10	-	-	10	10	171	-
Better Pharma Company Limited	Manufacturing and distribution of pharmaceutical supplies, supplementary food and chemical products for animals	Thailand	99.9	99.9	151	151	207	207	-	-	207	207	1,735	302
Thai SPF Products Company Limited	Raising swine free of certain diseases for sale	Thailand	99.9	99.9	300	300	317	317	-	-	317	317	597	-
Betagro Safety Meat Packing Company Limited	Swine slaughterhouse and swine cutting for sale	Thailand	99.9	99.9	675	675	684	684	(684)	(684)	-	-	-	-
Betagro Restaurant Company Limited	Distribution foods and beverages	Thailand	-	99.9	-	420	-	412	-	(365)	-	47	-	-

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

		Separate financial statements												
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)		(in million Baht)									
Better Food Company Limited	Manufacturing of frozen chicken products and Operating chicken farming	Thailand	99.9	99.9	1,192	1,192	1,192	1,192	-	-	1,192	1,192	-	-
Betagro Foods Company Limited (in process of liquidation)	Distribution of frozen pork and chicken products	Thailand	99.9	99.9	130	130	30	30	(30)	(30)	-	-	-	-
Pet Focus Company Limited	Manufacturing and distribution of pet food	Thailand	99.9	99.9	373	373	372	372	-	-	372	372	-	-
Anitech Total Solution Company Limited	Distribution of pharmaceutical supplies, supplementary food, and chemical products for animals	Thailand	99.9	99.9	15	15	11	11	-	-	11	11	262	84

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Separate financial statements														
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)						(in million Baht)					
Protect Animal Health Company Limited	Distribution of pharmaceutical supplies, supplementary food, and chemical products for animals	Thailand	99.9	99.9	33	33	10	10	-	-	10	10	348	66
Betagro (Cambodia) Company Limited	Manufacturing and distribution of animal feeds and livestock	Cambodia	99.9	99.9	533	31	533	31	-	-	533	31	429	-
Betagro Intertrade Company Limited	Export trading	Thailand	99.9	99.9	100	100	97	97	-	-	97	97	-	-
Betagro Digital Services Company Limited	Integration of computer and software	Thailand	-	99.9	-	18	-	17	-	(17)	-	-	-	-
Betagro - Dainippon Techno-Ex Company Limited	Manufacturing and distribution of concentrated soup and extracted oil from animal bones	Thailand	60.7	60.7	140	140	89	89	-	-	89	89	24	19

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Separate financial statements														
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)						(in million Baht)					
Betagro MF Deli Company Limited	Manufacturing and selling of frozen pork products and chicken products	Thailand	78.9	78.9	330	330	261	261	-	-	261	261	-	-
Betagro (Lao) Company Limited	Production and distribution of livestock	Laos	100.0	100.0	34	34	34	34	-	-	34	34	-	-
B & C Pulaski Corporation Limited	Distribution of pharmaceutical supplies, supplementary food, and chemical products for animals	Thailand	99.9	99.9	25	25	30	30	(5)	(5)	25	25	-	12
Betagro Group Human Resources Development Center Company Limited	Training Center	Thailand	99.9	99.9	1	1	1	1	-	-	1	1	16	-

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
		2022		2021		2022		2021		2022		2021	
		(%)		(in million Baht)		(in million Baht)		(in million Baht)		(in million Baht)		(in million Baht)	
Betagro First Collection Company Limited	Foods and beverage restaurant business, manufacturing and distribution of udon, soba, pizza flour, semi and instant foods	Thailand	-	81.8	-	14	-	12	-	(12)	-	-	-
Betagro Treasury Center Co., Ltd	Money exchange	Thailand	99.9	99.9	10	1	7	1	(1)	(1)	6	-	-
Betagro Mermaid Company Limited	Foods, beverage and all bakery product, production and distribution of bakery business	Thailand	-	79.9	-	53	-	42	-	(42)	-	-	-
Betagro Bee Cheng Hiang Company Limited (in process of liquidation)	All food product's distributor store business	Thailand	79.9	79.9	30	30	24	24	(24)	(24)	-	-	-

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

		Separate financial statements												
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)		(in million Baht)									
Better Pharma (Vietnam) Company Limited	Shops for distribution of pharmaceutical supplies, supplementary food and chemical products for animals	Vietnam	99.9	99.9	10	10	10	10	(10)	(10)	-	-	-	-
Better Pharma (Philippines), Inc.	Shops for distribution of pharmaceutical supplies, supplementary food and chemical products for animals	Philippines	99.9	99.9	7	7	7	7	(7)	(7)	-	-	-	-

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Separate financial statements

	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)		(in million Baht)									
PT. Better Pharma Indonesia	Shops for distribution of pharmaceutical supplies, supplementary food and chemical products for animals	Indonesia	95.0	95.0	7	7	6	6	(6)	(6)	-	-	-	-
Betagro Agro Industry Company Limited	Manufacturing of frozen products and operating farming	Thailand	99.9	99.9	4,850	4,850	4,783	4,783	-	-	4,783	4,783	1,940	-
Betagro (Myanmar) Company Limited	Distribution of animal feeds and livestock	Myanmar	80.3	80.3	64	64	51	51	-	-	51	51	-	-
Hobby Farmer Co. Ltd.	Research and develop technology	Thailand	99.9	99.9	1	1	1	1	-	-	1	1	-	-
BTG LV Company Limited	Investment in new business	Hongkong	100	-	-	-	-	-	-	-	-	-	-	-
Betagro Ventures Company Limited	Investment in new business	Thailand	99.9	-	30	-	30	-	-	-	30	-	-	-
Total					9,824	9,938	10,828	10,274	(1,035)	(1,471)	9,793	8,803	5,736	665

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Impairment testing

In evaluating and testing of impairment, the Group determined the recoverable amount on the higher of its value in use by estimating discounted future cash flows and the fair value less cost of disposal if sale the business.

In this regard, the preparation of future cash flows that the Group expects to receive is derived from the determination of financial assumptions based on the management's assessment by considering the factors related to future trends in the relevant industries and historical financial data from external and internal sources of information.

The key assumptions used in the estimation of the recoverable amount were as follows:

Discount rate

The discount rates were based on weighted average cost of capital comprised of key financial assumptions such as targeted capital structure, cost of debt and cost of equity.

Terminal growth rate

Terminal growth rates were determined based on average consumer price index, inflation rates, growth rates of the relevant industries of the countries of the operation and the long-term growth plan as well as the comparable businesses in the same industries.

Budgeted future cash flow that the Group expects to receive

Budgeted future cash flow that the Group expects to receive comprises of budgeted revenue growth, costs and related expenses, by taking the average growth rate in the past, budgeted sale quantities, selling price, and expenses into account and referencing to future trend of market growth along with the business strategies and the operation of the Group in the future.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

11 Property, plant and equipment

	Consolidated financial statements								Total
	Land and improvements	Leasehold land improvements	Factory, factory improvements and leasehold building improvements	Machinery, silo and equipment	Furniture, fixtures and office equipment	Transportation equipment	Utility systems	Construction in progress and machinery under installation	
	<i>(in million Baht)</i>								
Cost									
At 1 January 2021	3,885	31	14,284	13,910	2,447	542	5,890	716	41,705
Additions	13	-	195	292	78	9	106	1,515	2,208
Transfers	15	-	127	308	11	1	153	(615)	-
Disposals	(291)	(7)	(56)	(69)	(34)	(61)	(14)	-	(532)
Foreign currency translation differences	6	2	51	18	3	1	19	(10)	90
At 31 December 2021 and 1 January 2022	3,628	26	14,601	14,459	2,505	492	6,154	1,606	43,471
Additions	625	1	687	956	218	1	454	52	2,994
Transfers	(47)	29	166	378	2	9	292	(948)	(119)
Disposals	(269)	-	(366)	(256)	(185)	(53)	(152)	(62)	(1,343)
Foreign currency translation differences	(1)	-	(3)	(7)	(7)	(3)	-	(6)	(27)
At 31 December 2022	3,936	56	15,085	15,530	2,533	446	6,748	642	44,976

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Consolidated financial statements								
	Land and improvements	Leasehold land improvements	Factory, factory improvements and leasehold building improvements	Machinery, silo and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Transportation equipment	Utility systems	Construction in progress and machinery under installation	Total
<i>Accumulated depreciation and impairment loss</i>									
At 1 January 2021	336	18	7,108	9,527	1,961	465	3,049	-	22,464
Depreciation charge for the year	41	2	585	987	200	34	459	-	2,308
Impairment losses	-	-	94	-	-	-	-	-	94
Disposals	(3)	(7)	(43)	(80)	(33)	(61)	(12)	-	(239)
Foreign currency translation differences	1	1	11	11	3	-	8	-	35
At 31 December 2021 and 1 January 2022	375	14	7,755	10,445	2,131	438	3,504	-	24,662
Depreciation charge for the year	41	2	626	1,013	157	22	474	-	2,335
Transfers	(17)	11	(6)	(11)	(6)	3	11	-	(15)
Disposals	-	-	(345)	(231)	(185)	(53)	(125)	-	(939)
Foreign currency translation differences	-	-	-	(7)	(2)	(3)	-	-	(12)
At 31 December 2022	399	27	8,030	11,209	2,095	407	3,864	-	26,031
<i>Net book value</i>									
At 31 December 2021	3,253	12	6,846	4,014	374	54	2,650	1,606	18,809
At 31 December 2022	3,537	29	7,055	4,321	438	39	2,884	642	18,945

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Separate financial statements						Construction in progress and machinery under installation	Total
	Land and improvements	Factory, factory improvements and leasehold building improvements	Machinery, silo and equipment	Furniture, fixtures and office equipment <i>(in million Baht)</i>	Transportation equipment	Utility systems		
Cost								
At 1 January 2021	378	2,649	3,202	610	50	1,070	87	8,046
Additions	5	103	30	17	2	19	998	1,174
Transfers	-	16	55	-	-	13	(84)	-
Disposals	-	(2)	(53)	(4)	(5)	(6)	-	(70)
At 31 December 2021 and 1 January 2022	383	2,766	3,234	623	47	1,096	1,001	9,150
Additions	184	62	120	16	3	52	713	1,150
Transfers	84	545	554	69	-	364	(1,616)	-
Disposals	(56)	(105)	(105)	(57)	(3)	(27)	-	(353)
At 31 December 2022	595	3,268	3,803	651	47	1,485	98	9,947
Accumulated depreciation								
At 1 January 2021	32	1,221	2,201	510	49	667	-	4,680
Depreciation charge for the year	17	210	187	42	1	83	-	540
Disposals	-	(2)	(51)	(4)	(5)	(6)	-	(68)
At 31 December 2021 and 1 January 2022	49	1,429	2,337	548	45	744	-	5,152
Depreciation charge for the year	8	159	257	42	4	97	-	567
Disposals	(11)	(99)	(104)	(57)	(3)	(25)	-	(299)
At 31 December 2022	46	1,489	2,490	533	46	816	-	5,420
Net book value								
At 31 December 2021	334	1,337	897	75	2	352	1,001	3,998
At 31 December 2022	549	1,779	1,313	118	1	669	98	4,527

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Security

The Group has pledged a portion of their machinery as collateral for short-term loans from financial institutions as discussed in note 14.

Capitalised borrowing costs relating to the acquisition of the land and the construction in progress including the new factory for the Group and the Company amounted to Baht 5.39 million and Baht 5.14 million, respectively (2021: Baht 10.44 million and Baht 6.79 million, respectively) with a capitalisation rate of 2.12% and 2.12%, respectively (2021: 2.07% and 2.13%, respectively).

12 Leases

<i>Right-of-use assets At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Lands	89	56	22	21
Buildings	2,645	2,462	46	73
Utility systems	762	628	264	175
Equipment	12	5	-	-
Vehicles	643	714	51	70
Leasehold rights	277	239	-	-
Total	4,428	4,104	383	339

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 973 million and 122 million, respectively (2021: Baht 2,633 million and 287 million, respectively).

The Group leases items of lands, buildings and other equipment for 2 - 60 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Consolidated		Separate	
	financial statements		financial statements	
<i>Year ended 31 December</i>	2022	2021	2022	2021
	<i>(in million Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Lands	14	16	8	3
- Buildings	308	246	23	16
- Utility systems	38	32	15	9
- Equipment	10	12	1	-
- Vehicles	261	323	31	30
- Leasehold rights	9	4	-	-
Interest on lease liabilities	170	133	15	12
Expenses relating to short-term leases and leases of low-value assets	183	181	19	7

In 2022, total cash outflow for leases of the Group and the Company were Baht 937 million and Baht 109 million, respectively (2021: Baht 893 million and Baht 68 million, respectively).

13 Intangible assets

	Consolidated financial statements		
	Software licences	Licences, patents and trademarks <i>(in million Baht)</i>	Total
Cost			
At 1 January 2021	1,705	57	1,762
Additions	63	-	63
Write-off	(13)	-	(13)
At 31 December 2021 and 1 January 2022	1,755	57	1,812
Additions	122	-	122
Write-off	(50)	(2)	(52)
At 31 December 2022	1,827	55	1,882
Accumulated amortisation			
At 1 January 2021	682	55	737
Amortisation charge for the year	166	1	167
Write-off	(7)	-	(7)
At 31 December 2021 and 1 January 2022	841	56	897
Amortisation charge for the year	167	-	167
Write-off	(26)	(2)	(28)
At 31 December 2022	982	54	1,036
Net book value			
At 31 December 2021	914	1	915
At 31 December 2022	845	1	846

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Separate financial statements Software Licences (in million Baht)
<i>Cost</i>	
At 1 January 2021	646
Additions	28
Write-off	(2)
At 31 December 2021 and 1 January 2022	672
Additions	6
Transfer	25
At 31 December 2022	703
<i>Accumulated amortisation</i>	
At 1 January 2021	338
Amortisation charge for the year	56
Write-off	(2)
At 31 December 2021 and 1 January 2022	392
Amortisation charge for the year	58
Transfer	2
At 31 December 2022	452
<i>Net book value</i>	
At 31 December 2021	280
At 31 December 2022	251

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

14 Interest-bearing liabilities

	Consolidated financial statements					
	Secured	2022 Unsecured	Total (in million Baht)	Secured	2021 Unsecured	Total
Current						
Promissory notes	-	657	657	-	8,052	8,052
Liabilities under trust receipts	2,765	-	2,765	2,414	-	2,414
Bills of exchange	-	8,821	8,821	-	4,651	4,651
Debentures	-	2,799	2,799	-	3,000	3,000
Lease liabilities	-	573	573	-	547	547
Short-term borrowings	-	-	-	-	1,320	1,320
	<u>2,765</u>	<u>12,850</u>	<u>15,615</u>	<u>2,414</u>	<u>17,570</u>	<u>19,984</u>
Non-current						
Long-term loans from financial institutions	-	-	-	-	30	30
Lease liabilities	-	3,865	3,865	-	3,576	3,576
Debentures	-	4,199	4,199	-	7,000	7,000
	<u>-</u>	<u>8,064</u>	<u>8,064</u>	<u>-</u>	<u>10,606</u>	<u>10,606</u>
Total interest-bearing liabilities	<u>2,765</u>	<u>20,914</u>	<u>23,679</u>	<u>2,414</u>	<u>28,176</u>	<u>30,590</u>

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Separate financial statements					
	Secured	2022 Unsecured	Total (in million Baht)	Secured	2021 Unsecured	Total
Current						
Promissory notes	-	-	-	-	6,536	6,536
Liabilities under trust receipts	2,520	-	2,520	1,510	-	1,510
Bills of exchange	-	8,821	8,821	-	4,651	4,651
Debentures	-	2,799	2,799	-	3,000	3,000
Lease liabilities	-	64	64	-	63	63
Short-term borrowings	-	449	449	-	2,634	2,634
	<u>2,520</u>	<u>12,133</u>	<u>14,653</u>	<u>1,510</u>	<u>16,884</u>	<u>18,394</u>
Non-current						
Long-term loans from financial institutions	-	-	-	-	30	30
Lease liabilities	-	329	329	-	282	282
Debentures	-	4,199	4,199	-	7,000	7,000
	<u>-</u>	<u>4,528</u>	<u>4,528</u>	<u>-</u>	<u>7,312</u>	<u>7,312</u>
Total interest-bearing liabilities	<u>2,520</u>	<u>16,661</u>	<u>19,181</u>	<u>1,510</u>	<u>24,196</u>	<u>25,706</u>

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Within one year	15,615	19,984	14,653	18,394
After one year but within five years	5,658	8,562	4,305	7,159
After five years	2,406	2,044	223	153
Total	23,679	30,590	19,181	25,706

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2022	2021	2022	2021
		<i>(in million Baht)</i>			
Inventories	7	2,760	2,348	2,515	1,500
Machineries	11	5	66	5	10
Total		2,765	2,414	2,520	1,510

The Group has obtained credit lines from several local financial institutions and certain branches of foreign financial institutions. The details of interest rate are as follows:

	Consolidated financial statements	
	2022	2021
	<i>(% per annum)</i>	
Short-term loans from financial institutions and liabilities under trust receipts	0.62 - 1.40	0.60 - 6.20

	Separate financial statements	
	2022	2021
	<i>(% per annum)</i>	
Short-term loans from financial institutions and liabilities under trust receipts	0.62 - 1.40	0.60 - 1.08

Under the terms of the trust receipt agreements, certain raw materials and machineries have been released to the Company and certain subsidiaries under such facilities obtained from banks. As a result, there were encumbrances attached to those raw materials or their sales proceeds and imported machineries.

As at 31 December 2022, the Group and the Company had unutilised credit facilities totalling Baht 45,225 million and Baht 41,984 million, respectively (2021: Baht 31,898 million and Baht 29,857 million, respectively).

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Debentures

The Company issued the following Thai Baht unsubordinated, unsecured debentures with the name registered and no representative of shareholder. The debentures are publicly listed in the Stock Exchange of Thailand.

Issued date	Maturity (year)	Interest rate (% per annum)	Amount (in million Baht)
11 August 2020	3	2.70	800
11 August 2020	4	3.00	1,000
11 August 2020	5	3.31	2,200
28 March 2018	5	2.52	2,000
21 July 2017	7	3.37	1,000

The interest payments on the debentures are payable every three-month and six-month periods. The Offering Circular of these debentures has certain covenants pertaining to negative pledge on assets of the Company and the relevant principal subsidiaries and maintenance of certain financial ratios in the financial statements and others as specified in the agreement.

Bills of exchange

As at 31 December 2022 and 2021, the Company had Thai Baht bills of exchange as follows:

Issued date	Maturity (day)	Interest rate (% per annum)	Face value	Deferred interest (in million Baht)	Net
9 September 2022	122	1.27	1,500	(1)	1,499
16 September 2022	123	1.31	1,400	(1)	1,399
28 September 2022	187	1.37	1,000	(3)	997
3 October 2022	95	1.27	1,130	-	1,130
3 October 2022	122	1.31	1,700	(2)	1,698
20 October 2022	89	1.37	1,300	(1)	1,299
21 October 2022	105	1.40	800	(1)	799
28 September 2021	181	0.75	1,060	(2)	1,058
28 September 2021	269	0.80	500	(2)	498
26 November 2021	89	0.75	1,300	(1)	1,299
26 November 2021	187	0.75	150	(1)	149
27 December 2021	91	0.75	1,650	(3)	1,647

15 Other payables

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in million Baht)			
Accrued employee expenses	1,492	1,028	188	3
Other accrued expenses	980	914	158	97
Accrued transportation	408	391	62	45
Other payables for assets	197	251	66	130
Accrued interest expense	94	129	94	130
Others	723	516	321	184
Total	3,894	3,229	889	589

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

16 Provision for employee benefits

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Statement of financial position				
Provision for:				
Post-employment benefits	<u>1,653</u>	<u>1,654</u>	<u>312</u>	<u>365</u>
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	<u>142</u>	<u>217</u>	<u>34</u>	<u>40</u>
Recognised in other comprehensive income:				
Actuarial gain recognised in the year	<u>-</u>	<u>(513)</u>	<u>-</u>	<u>(54)</u>
Cumulative actuarial gain recognised	<u>(823)</u>	<u>(823)</u>	<u>(123)</u>	<u>(123)</u>

The Group operates a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as interest rate risk and future salary growth risk.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Provision for employee benefits				
At 1 January	1,654	2,047	365	394
Include in profit or loss:				
Current service costs	113	179	24	32
Interest on obligation	29	38	6	8
Transfer in	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>
	<u>142</u>	<u>217</u>	<u>34</u>	<u>40</u>
Included in other comprehensive income				
Actuarial (gain) loss	-	24	-	3
Demographic assumptions	-	(612)	-	(110)
Financial assumptions	-	75	-	53
Experience adjustment	<u>-</u>	<u>(513)</u>	<u>-</u>	<u>(54)</u>
Benefits paid by the plan	<u>(143)</u>	<u>(97)</u>	<u>(87)</u>	<u>(15)</u>
At 31 December	<u>1,653</u>	<u>1,654</u>	<u>312</u>	<u>365</u>

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
		(% per annum)		
Discount rate	2.3	2.3	2.3	2.3
Future salary growth	2.0 - 6.0	2.0 - 6.0	2.0 - 6.0	2.0 - 6.0

Assumptions regarding future mortality are based on published statistics and Thai mortality tables.

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 16.1 years (2021: 16.1 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	1% increase in assumption	1% decrease in assumption		
	2022	2021	2022	2021
		(in million Baht)		
Discount rate	(162)	(160)	188	186
Future salary growth	202	182	(175)	(158)

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	1% increase in assumption	1% decrease in assumption		
	2022	2021	2022	2021
		(in million Baht)		
Discount rate	(32)	(32)	36	36
Future salary growth	39	36	(35)	(32)

17 Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
		(in million Baht)		
Deposits	1,068	996	1	2
Others	123	139	33	40
Total	1,191	1,135	34	42

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

18 Share capital

	Par value per share (in Baht)	2022		2021	
		Number	Amount	Number	Amount
(million shares /in million Baht)					
Authorised shares					
At 1 January					
- ordinary shares	10	750	7,500	300	3,000
Increase of new shares	10	-	-	450	4,500
Reduction in par value					
- from Baht 10 to Baht 5	5	750	-	-	-
Increase of new shares	5	500	2,500	-	-
At 31 December					
- ordinary shares	5	2,000	10,000	-	-
- ordinary shares	10	-	-	750	7,500
Issued and paid-up shares					
At 1 January					
- ordinary shares	10	750	7,500	300	3,000
Increase of new shares	10	-	-	450	4,500
Reduction in par value					
- from Baht 10 to Baht 5	5	750	-	-	-
Increase of new shares	5	435	2,174	-	-
At 31 December					
- ordinary shares	5	1,935	9,674	-	-
- ordinary shares	10	-	-	750	7,500

Reduction in par value

At the Annual General Meeting of the Company held on 28 April 2022, the shareholders approved the split of each existing share (of Baht 10 par value) to two shares (of Baht 5 par value).

Issue of ordinary shares

At the Annual General Meeting of the Company held on 28 April 2022, the shareholders approved the increase of authorised share capital of the Company not over 500 million issued ordinary shares that allotted for the Initial Public Offering at a price of Baht 40 per share (par value of Baht 5). The shares of the Company began trading in the Stock Exchange of Thailand on 2 November 2022.

At the extraordinary general meeting of shareholders held on 7 December 2021, the shareholders approved the increase of authorised share capital of the Company by Baht 4,500 million from Baht 3,000 million to Baht 7,500 million. The Company registered the increase of share capital with the Ministry of Commerce on 8 December 2021.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

19 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

The Company appropriated legal reverse for the year ended 31 December 2022 amounted to Baht 345.3 million (2021: Baht 71.7 million).

Other reserve

Differences on changes in ownership interest in subsidiaries

Differences on changes in ownership interest in subsidiaries represents the difference of the book value of business under common control under cost as of the acquisition date and have been recorded as a difference. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at FVOCI until the assets are derecognised or reclassified.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

20 Segment information and disaggregation of revenue

Management determined that the Group has 9 reportable segments, which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Agro Business
- Segment 2 Consumer Food Business
- Segment 3 Export Business
- Segment 4 Non-Package Meat Products Business
- Segment 5 Co & By-Products and Other Food Business
- Segment 6 Livestock Business
- Segment 7 International Business
- Segment 8 Pet Business
- Segment 9 Others

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. For separate financial statements, management determined that the Company operates in one segment which is agro business.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Information about reportable segments for the year ended 31 December 2022

	Consolidated financial statements									
	Agro Business	Consumer Food Business	Export Business	Non- Package Meat Products Business	Co & By- Products and Other Food Business	Livestock Business	International Business	Pet Business	Others	Total
	<i>(in million Baht)</i>									
Revenue from sale and rendering of services	28,403	33,915	12,391	8,608	14,227	6,618	6,236	2,211	17	112,626
Operating profit	163	3,629	2,020	840	1,267	863	278	248	3	9,311
Other income										1,251
Other expenses										(174)
Finance costs										(619)
Net foreign exchange loss										(148)
Net derivative loss										(5)
Share of profit of associates and joint ventures										37
Tax expense										(1,549)
Profit for the year										8,104
Depreciation and amortisation	726	1,418	518	360	595	276	241	104	5	4,243

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Information about reportable segments for the year ended 31 December 2021

	Consolidated financial statements									
	Agro Business	Consumer Food Business	Export Business	Non- Package Meat Products Business	Co & By- Products and Other Food Business	Livestock Business	International Business	Pet Business	Others	Total
	(in million Baht)									
Revenue from sale and rendering of services	24,795	25,954	8,483	4,943	9,802	4,989	4,881	1,491	86	85,424
Operating profit (loss)	695	632	84	(196)	(803)	(536)	256	112	6	250
Other income										1,299
Finance costs										(577)
Net foreign exchange gain										21
Share of profit of associates and joint ventures										54
Tax expense										(208)
Profit for the year										839
Depreciation and amortisation	642	1,465	479	279	553	282	201	111	54	4,066

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Geographic segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

Geographic information

	Consolidated financial statements	
	2022	2021
	<i>(in million Baht)</i>	
Thailand	92,359	70,952
Southeast Asia	8,077	6,030
Asia excluding Southeast Asia	6,879	5,152
Others	5,311	3,290
Total income	112,626	85,424

Major customer

The Group does not have revenue from each customer which is materiality of the Group's total revenue.

Timing of revenue recognition

For the years ended 31 December 2022 and 2021, the main portion of revenue of the Group and the Company was recognised at a point in time.

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for manufacturing of animal feed, ingredient of animal feed, chemical products for animal, livestock for sale and processed food from meat. The Group has been granted several privileges including exemption and reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

	Consolidated financial statements					
	2022			2021		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in million Baht)</i>					
<i>Revenue from sales of goods and rendering of services</i>						
Domestic	42,787	138,922	181,709	22,644	124,124	146,768
Export	948	14,092	15,040	412	9,675	10,087
Total revenue	43,735	153,014	196,749	23,056	133,799	156,855

The above net sales are stated at invoices value of the Group before intercompany elimination.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Separate financial statements					
	2022		Total (in million Baht)	2021		Total
	Promoted businesses	Non-promoted businesses		Promoted businesses	Non-promoted businesses	
<i>Revenue from sales of goods</i>						
Domestic	23,668	37,223	60,891	7,886	42,596	50,482

The above net sales are stated at invoices value of the Company.

21 Investment income

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		(in million Baht)			
<i>Dividend income</i>					
Subsidiaries	4, 10	-	-	5,736	665
Joint ventures	4, 9	-	-	142	75
		-	-	5,878	740
<i>Interest income</i>					
Subsidiaries	4	-	-	335	367
Other parties		40	20	40	20
		40	20	375	387
Total		40	20	6,253	1,127

22 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in million Baht)			
<i>Management</i>				
Management benefit expenses consisted of salaries and other benefit expenses of management and director's remuneration	143	127	143	127
<i>Other employees</i>				
Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management	10,287	9,386	1,470	1,305
Total employee benefit expenses	10,430	9,513	1,613	1,432

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees' basic salaries depended on the length of service. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

23 Expenses by nature

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Raw materials and consumables used	68,914	52,755	55,744	45,183
Employee benefit expenses	10,430	9,513	1,613	1,432
Transportation expenses	4,874	4,017	344	323
Depreciation and amortisation	4,243	4,066	624	649
Utility expenses	2,141	1,857	517	461
Other production expenses	2,104	2,172	201	199
Marketing expenses	1,249	926	308	226
Repair and maintenance expenses	1,044	1,169	234	226
Fuel expenses	858	485	300	190
Office and other asset rental expenses	432	302	200	131
Travel expenses	419	351	14	21
Consulting fee	178	97	147	62
Changes in biological assets, finished goods and work in progress	1,561	2,027	(165)	(76)
Others	5,041	5,437	439	703
Total costs of sale of goods and rendering of services, distribution costs and administrative expenses	103,488	85,174	60,520	49,730

24 Income tax

<i>Income tax recognised in profit and loss</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Current tax expense				
Current year	414	477	178	218
Adjustment for prior years	10	6	18	6
	424	483	196	224
Deferred tax expense				
Movements in temporary differences	1,125	(275)	(8)	(17)
Total income tax expense	1,549	208	188	207
<i>Income tax recognised in other comprehensive income</i>				
Actuarial gain	-	(103)	-	(11)
Cash flow hedges reserve	(5)	(1)	(5)	(1)

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2022 (in million Baht)	Rate (%)	2021 (in million Baht)
Profit before income tax expense		9,654		1,047
Income tax using the Thai corporation tax rate	20.0	1,931	20.0	210
Income tax reduction - promoted business		(431)		(120)
Expenses not deductible for tax purposes		55		53
Expenses with additional deduction for tax purposes		(17)		(82)
Share of net profits of associates and joint ventures		(7)		(12)
Current year losses for which no deferred tax asset was recognised		-		111
Recognition of previously unrecognised tax losses		-		(21)
Written-off unrecoverable deferred tax assets from loss carry forward		-		68
Under provided in prior years		10		6
Others		(8)		(5)
Total	16.0	1,549	19.9	208

Reconciliation of effective tax rate

	Separate financial statements			
	Rate (%)	2022 (in million Baht)	Rate (%)	2021 (in million Baht)
Profit before income tax expense		7,038		1,641
Income tax using the Thai corporation tax rate	20.0	1,408	20.0	328
Income tax reduction - promoted business		-		(49)
Dividend income not subject to tax		(1,176)		(148)
Expenses not deductible for tax purposes		16		73
Expenses with additional deduction for tax purposes		(5)		(3)
Reversal of allowance for impairment		(67)		-
Under provided in prior year		18		6
Others		(6)		-
Total	2.7	188	12.6	207

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Deferred tax At 31 December	Consolidated financial statements			
	Assets		Liabilities	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Total	996	2,148	48	(70)
Set off of tax	(21)	(70)	(21)	70
Net deferred tax assets	975	2,078	27	-

Deferred tax At 31 December	Separate financial statements			
	Assets		Liabilities	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Total	159	166	-	(10)
Set off of tax	-	(10)	-	10
Net deferred tax assets	159	156	-	-

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements			
	(Charged) / Credited to			
	At 1 January 2022	Profit or loss	Other comprehensive income	At 31 December 2022
	(in million Baht)			
Deferred tax assets				
Trade accounts receivable (allowance for expected credit loss)	53	-	-	53
Inventories (allowance for decline in value)	26	(15)	-	11
Biological assets (purchase price guarantee)	48	(29)	-	19
Investments (allowance for impairment)	70	-	-	70
Property, plant and equipment (devaluation and depreciation gap)	6	(1)	-	5
Provision for employee benefits	334	(2)	-	332
Loss carry forward	1,573	(1,111)	-	462
Right-of-use assets	11	(4)	-	7
Changes in fair value of cash flow hedge	5	7	(5)	7
Property, plant and equipment (impairment losses)	22	8	-	30
Total	2,148	(1,147)	(5)	996
Deferred tax liabilities				
Derivatives (fair value adjustment)	(37)	8	-	(29)
Biological assets (fair value change)	(33)	14	-	(19)
Total	(70)	22	-	(48)
Net	2,078	(1,125)	(5)	948

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	At 1 January 2021	Consolidated financial statements (Charged) / Credited to		At 31 December 2021
		Profit or loss	Other comprehensive income	
		(in million Baht)		
Deferred tax assets				
Trade accounts receivable (allowance for expected credit loss)	19	34	-	53
Inventories (allowance for decline in value)	32	(6)	-	26
Biological assets (purchase price guarantee)	75	(27)	-	48
Investments (allowance for impairment)	61	9	-	70
Property, plant and equipment (devaluation and depreciation gap)	7	(1)	-	6
Provision for employee benefits	363	74	(103)	334
Loss carry forward	1,332	241	-	1,573
Right-of-use assets	17	(6)	-	11
Changes in fair value of cash flow hedge	4	2	(1)	5
Property, plant and equipment (impairment losses)	11	11	-	22
Total	1,921	331	(104)	2,148
Deferred tax liabilities				
Derivatives (fair value adjustment)	(2)	(35)	-	(37)
Biological assets (fair value change)	(12)	(21)	-	(33)
Total	(14)	(56)	-	(70)
Net	1,907	275	(104)	2,078

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	At 1 January 2022	Separate financial statements (Charged) / Credited to		At 31 December 2022
		Profit or loss (in million Baht)	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable (allowance for expected credit loss)	14	-	-	14
Investment (allowance for impairment)	70	-	-	70
Property, plant and equipment (devaluation and depreciation gap)	2	(1)	-	1
Intangible assets (amortisation gap)	3	-	-	3
Provision for employee benefits	73	(11)	-	62
Right-of-use assets	(1)	3	-	2
Changes in fair value of cash flow hedge	5	7	(5)	7
Total	166	(2)	(5)	159
Deferred tax liabilities				
Derivatives (fair value adjustment)	(10)	10	-	-
Total	(10)	10	-	-
Net	156	8	(5)	159

	At 1 January 2021	Separate financial statements (Charged) / Credited to		At 31 December 2021
		Profit or loss (in million Baht)	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable (allowance for expected credit loss)	6	8	-	14
Investment (allowance for impairment)	61	9	-	70
Property, plant and equipment (devaluation and depreciation gap)	2	-	-	2
Intangible assets (amortisation gap)	3	-	-	3
Provision for employee benefits	79	5	(11)	73
Right-of-use assets	-	(1)	-	(1)
Changes in fair value of cash flow hedge	4	2	(1)	5
Total	155	23	(12)	166
Deferred tax liabilities				
Derivatives (fair value adjustment)	(3)	(7)	-	(10)
Leases	(1)	1	-	-
Total	(4)	(6)	-	(10)
Net	151	17	(12)	156

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Investment (<i>allowance for impairment</i>)	-	-	360	287
Loss carry forward	298	231	-	-
Total	298	231	360	287

The tax losses expire within 5 years according to Thai tax regulation and tax promotional privileges by Board of Investment. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

The recoverability of deferred income tax assets resulting from tax losses carry-forward and temporary differences of subsidiaries was reviewed and assessed, using forecasts that are based on the actual operating results and the expected future performance based on management's estimates and assumptions of revenue growth and the development of operating margins of the subsidiaries concerned and taking into account the promotional privileges. The Group has recognised tax losses as deferred tax assets because the Group considers that it is probable that future taxable profit will be available against which such losses can be used. These were following the Group's business plan to increase the Group's profit from operating activities in the future. However, it is possible that some or all of these deferred income tax from loss carry forward could ultimately expire unused.

25 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht / million shares)</i>			
Profit attributable to equity shareholders of the Company for the year ended 31 December	7,938	1,011	6,850	1,434
Number of ordinary shares outstanding at 1 January	750	300	750	300
Effect of change in par value	750	300	750	300
Effect of shares issued (See note 18)	71	60	71	60
Weighted average number of ordinary shares outstanding	1,571	660	1,571	660
Basic and diluted earnings per share (<i>in Baht</i>)	5.05	1.53	4.36	2.17

There are no dilutive potential ordinary shares for the year ended 31 December 2022 and 2021. Therefore, diluted earnings per share is the same as basic earnings per share.

Due to the split of each existing share to two shares (See note 18), the Company adjusted the number of weighted average ordinary shares used in the computation of basic earnings per share for the year ended 31 December 2022 and 2021 as if the change in par value started from 1 January 2021.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

26 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2022				
Annual dividend	28 April 2022	May 2022	0.5	750
Interim dividend	28 September 2022	October 2022	7.0	10,500
2021				
Annual dividend	30 April 2021	May 2021	4.5	1,350
Interim dividend	19 October 2021	November 2021	20.0	6,000

27 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statement							
		Carrying amount		Fair value				
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total (in million Baht)	Level 1	Level 2	Level 3	Total
At 31 December 2022								
Financial assets								
Other long-term investments								
- Investment in non-marketable equity securities	-	-	2	2	-	-	2	2
Derivatives assets	-	8	-	8	-	8	-	8
Financial liabilities								
Cross currency swap	60	-	-	60	-	60	-	60
Debentures	-	-	6,998	6,998	-	7,006	-	7,006
Derivatives liabilities	-	13	-	13	-	13	-	13
Other non-current liabilities	-	-	1,191	1,191	-	-	1,137	1,137
At 31 December 2021								
Financial assets								
Other long-term investments								
- Investment in non-marketable equity securities	-	-	2	2	-	-	2	2
Derivatives assets	-	14	-	14	-	14	-	14
Financial liabilities								
Long-term loan from financial institution	-	-	30	30	-	-	31	31
Cross currency swap	57	-	-	57	-	57	-	57
Debentures	-	-	10,000	10,000	-	10,099	-	10,099
Derivatives liabilities	-	1	-	1	-	1	-	1
Other non-current liabilities	-	-	1,135	1,135	-	-	1,044	1,044

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Hedging instruments	Carrying amount		Separate financial statement			Fair value		Total
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1 <i>(in million Baht)</i>	Level 2	Level 3		
At 31 December 2022									
Financial assets									
Long-term loans to related parties	-	-	687	687	-	-	717		717
Other long-term investments									
- Investment non-marketable equity securities	-	-	2	2	-	-	2		2
Financial liabilities									
Cross currency swap	60	-	-	60	-	60	-		60
Debentures	-	-	6,998	6,998	-	7,006	-		7,006
Other non-current liabilities	-	-	34	34	-	-	32		32
At 31 December 2021									
Financial assets									
Long-term loans to related parties	-	-	1,021	1,021	-	-	1,073		1,073
Other long-term investments									
- Investment non-marketable equity securities	-	-	2	2	-	-	2		2
Derivatives assets	-	14	-	14	-	14	-		14
Financial liabilities									
Long-term loan from financial institution	-	-	30	30	-	-	31		31
Cross currency swap	57	-	-	57	-	57	-		57
Debentures	-	-	10,000	10,000	-	10,099	-		10,099
Other non-current liabilities	-	-	42	42	-	-	38		38

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Derivatives	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Debentures	Determined based on quoted prices in the debenture markets traded in Thai markets by using the closing price at the end of the reporting period.
Cross currency swap	Discounted cash flows, using model from observable market data
Investments in marketable unit trusts classified as financial assets measured at FVOCI	Net asset value as of the reporting date.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Other long-term investments non-marketable equity security	Net asset value as of the reporting date	Net asset value as of the reporting date	Valuation of investment will be increased (decreased) when net assets increased (decreased)

The fair value of long-term loans to related parties, long-term loan from financial institution and other non-current liabilities measured at amortised costs are calculated by discounted cash flows technique.

(b) *Financial risk management policies*

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivable is disclosed in note 6.

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

		Consolidated financial statements			
		Contractual cash flows			
			After 1 years		
<i>At 31 December</i>	Carrying amount	Within 1 year	but within 5 years	After 5 years	Total
<i>(in million Baht)</i>					
2022					
Non-derivative financial liabilities					
Loans from financial institutions	12,243	12,362	-	-	12,362
Debentures	6,998	2,896	4,627	-	7,523
Lease liabilities	4,438	594	1,508	2,588	4,690
Other non-current liabilities	1,191	103	1,088	-	1,191
Total		15,955	7,223	2,588	25,766
Derivative financial liabilities					
Forward contracts	13	-	-	-	-
- Cash outflow	-	(238)	-	-	(238)
- Cash inflow	-	225	-	-	225
Total		13	-	-	13
2021					
Non-derivative financial liabilities					
Loans from financial institutions	15,147	15,348	32	-	15,380
Short-term borrowings	1,320	1,334	-	-	1,334
Debentures	10,000	3,089	7,602	-	10,691
Lease liabilities	4,123	662	1,861	3,304	5,827
Other non-current liabilities	1,135	129	1,006	-	1,135
Total		20,562	10,501	3,304	34,367

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Consolidated financial statements					
<i>At 31 December</i>	Carrying amount	Within 1 year	Contractual cash flows		Total
			After 1 years but within 5 years	After 5 years	
Derivative financial liabilities					
Forward contracts	1				
- Cash outflow	-	(34)	-	-	(34)
- Cash inflow	-	33	-	-	33
Total		(1)	-	-	(1)

Separate financial statements					
<i>At 31 December</i>	Carrying amount	Within 1 year	Contractual cash flows		Total
			After 1 years but within 5 years	After 5 years	
2022					
Non-derivative financial liabilities					
Loans from financial institutions	11,341	11,457	-	-	11,457
Short-term borrowings	449	453	-	-	453
Debentures	6,998	2,896	4,627	-	7,523
Lease liabilities	392	78	150	291	519
Other non-current liabilities	34	1	33	-	34
Total		14,885	4,810	291	19,986

2021					
Non-derivative financial liabilities					
Loans from financial institutions	12,728	12,816	32	-	12,848
Short-term borrowings	2,634	2,659	-	-	2,659
Debentures	10,000	3,089	7,602	-	10,691
Lease liabilities	345	75	161	200	436
Other non-current liabilities	42	-	42	-	42
Total		18,639	7,837	200	26,676

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows related to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

<i>Exposure to foreign currency</i>	Consolidated financial statements			Separate financial statements		
	USD	Other	Total (in million Baht)	USD	Other	Total
<i>At 31 December 2022</i>						
Trade accounts receivable	842	119	961	-	-	-
Long-term loans	-	-	-	826	-	826
Trade accounts payable	(444)	(83)	(527)	(158)	(14)	(172)
Net statement of financial position exposure	398	36	434	668	(14)	654
Currency swaps contracts	-	-	-	(826)	-	(826)
Forward exchange purchase contracts	229	-	229	-	-	-
Forward exchange selling contracts	(649)	(154)	(803)	-	-	-
Net exposure	(22)	(118)	(140)	(158)	(14)	(172)
<i>At 31 December 2021</i>						
Trade accounts receivable	608	92	700	-	-	-
Long-term loans	-	-	-	796	-	796
Trade accounts payable	(347)	(93)	(440)	(51)	(4)	(55)
Net statement of financial position exposure	261	(1)	260	745	(4)	741
Currency swaps contracts	-	-	-	(796)	-	(796)
Forward exchange purchase contracts	967	-	967	929	-	929
Forward exchange selling contracts	-	(62)	(62)	-	-	-
Net exposure	1,228	(63)	1,165	878	(4)	874

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

Consolidated financial statements					
At 31 December	Movement (%)	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
			<i>(in million Baht)</i>		
2022					
USD	16	(64)	64	(111)	111
2021					
USD	12	(31)	31	(76)	76
Separate financial statements					
At 31 December	Movement (%)	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
			<i>(in million Baht)</i>		
2022					
USD	16	(108)	108	(111)	111
2021					
USD	12	(89)	89	(76)	76

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates (see note 14) are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

(b.4) Cash flow hedges

At 31 December 2021 and 2020, the Company held the following financial instruments to hedge exposures to changes in foreign currency.

Foreign currency risk at 31 December	Consolidated financial statements/ Separate financial statements		
	1 - 6 months	Maturity 6 - 12 months	More than one year
		<i>(in million Baht)</i>	
2022			
<i>Cross currency interest rate swap contracts</i>			
Net exposure <i>(in million Baht)</i>	11	9	763
USD:THB Cross currency interest rate swap contracts	31.24	31.24	31.24
Fixed interest rate (%)	2.63	2.63	2.63

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

	Consolidated financial statements/ Separate financial statements		
	1 - 6 months	Maturity 6 - 12 months	More than one year
Foreign currency risk at 31 December			
		(in million Baht)	
2021			
<i>Cross currency interest rate swap contracts</i>			
Net exposure (in million Baht)	15	15	782
USD:THB Cross currency interest rate swap contracts	31.24	31.24	31.24
Fixed interest rate (%)	2.63	2.63	2.63

The amounts relating to items designated as hedging instruments were as follows:

	Consolidated financial statements/ Separate financial statements	
	2022	2021
Foreign currency risk at 31 December		
	(in million Baht)	
Cross currency interest contracts rate - nominal amount	783	812
Carrying amount included in:		
- derivatives assets	(60)	(58)
Foreign currency risk for the year ended 31 December		
<i>Recognised in other comprehensive income</i>		
- changes in value of the hedging instrument	27	7

The following table provides a reconciliation of other components of equity and analysis of other comprehensive income items resulting from cash flow hedge accounting.

	Consolidated financial statements/ Separate financial statements (in million Baht)
Cash flow hedges reserve - foreign currency risk	
Balance at 1 January 2021	(15)
Changes in fair value	(77)
Amount reclassified to profit or loss	84
Tax changes in reserves during the year	(1)
Balance at 31 December 2021 and 1 January 2022	(9)
Changes in fair value	(3)
Amount reclassified to profit or loss	29
Tax changes in reserves during the year	(5)
Balance at 31 December 2022	12

Cross currency interest swap contracts

On 4 March 2020, the Company entered into an interest rate swap agreement for a long-term loan amounted of USD 10.2 million swapping a fix interest rate of 2.90% per annum, to loan amount of Baht 320 million with a fixed interest rate of 2.63% per annum, with settlement every 6 months starting on 4 March 2020 until 7 March 2023.

Notes to the financial statements (Cont.)

Betagro Public Company Limited and its Subsidiaries For the years ended 31 December 2022

On 4 March 2020, the Company entered into an interest rate swap agreement for a long-term loan amounted of USD 13.8 million swapping a fix interest rate of 2.95% per annum, to loan amount of Baht 430 million with a fixed interest rate of 2.63% per annum, with settlement every 6 months starting on 4 March 2020 until 3 October 2024.

28 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain shareholders, creditors and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

29 Commitments

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in million Baht)			
Capital commitments				
<i>Contracted but not provided</i>				
Factory buildings and improvements	9	55	9	55
Machine and equipments	64	86	3	79
Furniture, fixture and office equipment	1	-	-	-
Total	74	141	12	134
Cloud service and software licence and support agreement commitments				
Within 1 year	82	82	18	18
After 1 year but within 5 years	32	55	7	12
Total	114	137	25	30
Other commitments				
Unused letters of credit	493	252	327	101
Forward purchase (sale) contracts	(574)	892	-	916
Bank guarantees	578	596	438	456
Short-term lease and low value commitments	96	83	15	17

30 Events after the reporting period

At the Board of Directors' meeting of the Company held on 28 February 2023, the Board of Directors proposed to pass resolutions as follows:

- the increase of authorised share capital of Betagro Venture Company Limited, a wholly owned subsidiary of the Company amounting to 900 million and Betagro Venture International Company Limited, a subsidiary wholly owned by the Betagro Venture Company Limited amounting to 900 million;
- the appropriation of dividend of Baht 1 per share, totaling Baht 1,934.8 million and legal reserve amounting to Baht 345.3 million. However, the dividend will be subject to approval of Annual General Shareholders' Meeting of the Company.

Attachment

www.betagro-investor.com/en/downloads/one-reports

Attachment 1:

Details on Directors, Executives, Controlling Persons, Chief Financial Officer, Chief Accountant, and Company Secretary

Attachment 2:

Details of the Directors of Subsidiaries

Attachment 3:

Details of the Head of Internal Control Unit and the Head of Corporate Compliance Unit

Attachment 4:

Business Assets and Details on Asset Evaluation

Attachment 5:

Polices and Guidelines for Corporate Governance and Business Ethics

Attachment 6:

The Report of the Audit Committee





BETAGRO

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