

(Translation)

Ref.No.LEE 01/2022

24 February 2022

Subject : Management Discussion and Analysis for the year ended December 31, 2021

To : President of The Stock Exchange of Thailand

We hereby submit the audited consolidated financial statements of Lee Feed Mill Public Company Limited and its subsidiaries (“the Company”) for the fiscal year ended December 31, 2021, of which the business operation results for the year 2021, the Company would like to provide the clarification of performance which was decreased by more than 20% compared to the previous year.

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

1. The revenue from sales increased by Baht 901 million compared to the same period of previous year. The gross profit margin for the fiscal year ended December 31, 2021 was at 7.57%, which was lower than the previous year’s margin of 14.08%.
2. Dividend income for the year of 2021 was Baht 41.66 million, up from Baht 21.65 million in the same period of the previous year, an increase of Baht 20.01 million.
3. The gain on equity instrument at fair value through profit or loss was Baht 0.96 million, compared to Baht 4.70 million in 2020. It is the transaction of unrealized gain on equity instrument which is stated of fair value or market price by the end of accounting period. (As of December 31, 2021 and 2020, respectively)
4. Other income totaled Baht 8.60 million in 2021, a decrease of Baht 2.69 million from the same period of the previous year, which was Baht 11.28 million.



5. The allowance for doubtful debts was approximately Baht 5.26 million, whereas the allowance for doubtful debts in 2020 was Baht 4.06 million, a Baht 1.20 million increase.
6. Gain on financial assets at fair value to profit or loss for the year of 2021 was Baht 22.04 million, compared to a loss of Baht 7.81 million in the same period of the previous year, an increase of Baht 29.85 million. It is the transaction of unrealized gain or loss on investments which are stated of fair value or market price by the end of accounting period (as of December 31, 2021 and 2020, respectively).
7. The gain from changes in the fair value of biological assets for the year 2021 was Baht 0.62 million, compared to a loss of Baht 7.48 million in the same period of the previous year. The reason for this was the revaluation of biological assets.
8. Interest income for the year of 2021 was Baht 5.48 million, a decrease of Baht 8.72 million from the same period of the previous year, which was Baht 14.20 million.
9. The corporate income tax expenses decreased by Baht 15.44 million when compared to the same period of the previous year, mainly due to the net profit and deferred tax on relating to origination and reversal of temporary differences.

Please be informed accordingly.

Sincerely Yours,

(Mr. Nipon Leelasithorn)

Chairman of the Executive Director,

and Managing Director