



56-1 One Report

Year 2021

Abico Holdings Public Co.,Ltd.

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Message from Chairman

Due to various challenges in 2021, including the pandemic of Covid-19, it was necessary for people to adjust to living in the New Normal. Such factors caused the economy, both domestic and international, to continuously slow down since the beginning of the Covid-19 pandemic. However, Abico Holdings Public Company Limited remains committed to building business growth along with corporate development in order to achieve effectiveness and sustainable success in all areas, and satisfactorily in accordance with the policy and business plans.

Under the said circumstances in 2021, the Abico group had the total revenue of Baht 2,312 million, an increase of 10 percent compared to 2020; the operating profit of Baht 77 million; and the net profit of Baht 46 million, a decrease of 43 percent compared to 2020.

The Abico Group has the determination to administrate and manage the organization continually by developing and maintaining the quality of the products manufactured by the Company, with the help of modern technology to increase the efficiency of production and competitiveness to meet the needs of the clients of the Company. In addition, the Company values good corporate governance, taking into account the interests of all stakeholders along with economic, social, and community development. Therefore, the Company received a 4-star CGR scoring (very good) by the Thai Institute of Directors Association (IOD) in 2021.

Finally, in the name of the Board of Directors and employees of the Abico group, we would like to express our gratitude to shareholders, business partners, clients, and financial institutions for your contribution to our operation. The Company will be determined to constantly improve and strengthen its business growth along with the social and environmental sustainability, as well as to maintain the best interests of all stakeholders.



(Mrs. Chintana Boonyarat)
Company's Chairman
Abico Holdings Public Company Limited

Part 1
Business Operations and Financial Results

1. Structure and Operations of the Group

1.1 Company Policy and Business Overview

1.1.1 Vision, Objective, Goal, or Business Strategy

Abico Holdings Public Company Limited (“the Company”) and its subsidiaries have focused on the manufacturing business of UHT ready-to-drink milk, pasteurized milk, and pasteurized fruit juices for companies in the food and beverage industry; and investing in other businesses including food business and real estate. The Company is the center in planning the long-term policy and setting the direction of growth in its subsidiaries.

1.1.2 Major Changes and Developments during the Past 3 Years

2019

Abico Dairy Farm Co., Ltd. (“subsidiary”) has invested in machinery to sufficiently increase production capacity according to more order quantity.

On January 28, 2019, Abico Dairy Farm Co., Ltd. (“subsidiary”) was certified in “Green Industry Level 2” by the Ministry of Industry of Thailand for its activities to reduce environmental effects as committed effectively until January 27, 2021.

2020

The Group had the total revenue of Baht 2,061.85 million, an increase of 71 percent compared to 2019; the operating profit of Baht 135.50 million; the highest growth of revenue and operating profit in five years.

2021

According to the Corporate Governance report (CGR) for the year 2021 of the Thai Investors Association (IOD), the Company’s rating increased from 3 stars to 4 stars for the first time.

Abico Dairy Farm Co., Ltd. (“subsidiary”) has dealt with one more big client to create opportunities and increase the growth of the Company.

1.2 Nature of Business

1.2.1 Revenue structure and shareholding in the Company's subsidiaries in the last 3 years

Products	Operated by	% of Shareholding of the Company	2021		2020		2019	
			Baht million	%	Baht million	%	Baht million	%
Contract Manufacturing of UHT milk, pasteurized milk, and pasteurized fruit juices	Abico Dairy Farm Co., Ltd.	99.99	2,210.31	96.56	1,989.20	96.48	1,129.80	93.68
Development of real estate. Building rental and service.	Abico Land Co., Ltd.	99.99	18.55	0.81	12.73	0.62	18.80	1.56
Dairy farm	PPO Farm Co., Ltd.	99.99	60.17	2.63	59.92	2.90	57.42	4.76
Total (Baht million)			2,289.03	100.00	2,061.85	100.00	1,206.02	100.00

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The Abico Group consists of 3 main businesses:

(1) **Information of Subsidiaries and Products**

- Contract Manufacturing Business Contract Manufacturing of UHT milk, pasteurized milk, and pasteurized fruit juices
- Investment on Real Estate Development of real estate. Building rental and service.
- Investment on Dairy Farm Distribution of Raw Milk

Contract Manufacturing Business

Nature of Products

UHT milk, pasteurized milk, and pasteurized fruit juices

Nature of Clients

Currently, the company provides contract manufacturing service for many companies in the food and beverage industry.

Production capacity

Production capacity of UHT milk , pasteurized milk, pasteurized fruit juices,

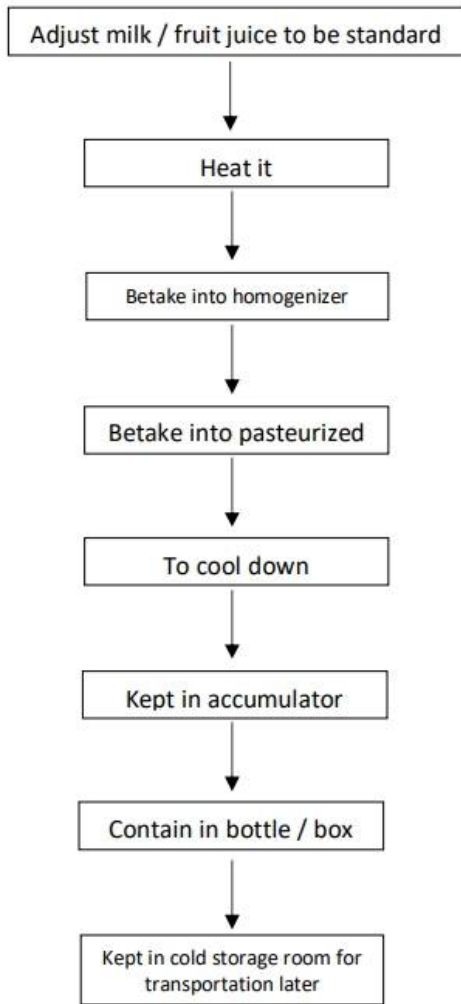
	<u>2021</u>	<u>2020</u>
Full production capacity (ton/year) (2 shifts)		
UHT milk	129,348	129,348
Pasteurized milk	32,000	32,000
Pasteurized fruit juices	16,000	16,000
Real quantity of production (ton/year) (2 shifts)		
UHT milk	69,680	78,564
Pasteurized milk	4,054	5,440
Pasteurized fruit juices	997	1,224
Percent of production capacity		
UHT milk	53.87	60.74
Pasteurized milk	12.66	17.00
Pasteurized fruit juices	6.23	7.65

Note: Number of shifts of production are 2 shifts per day, 8 hours per shift, depending on customers' order

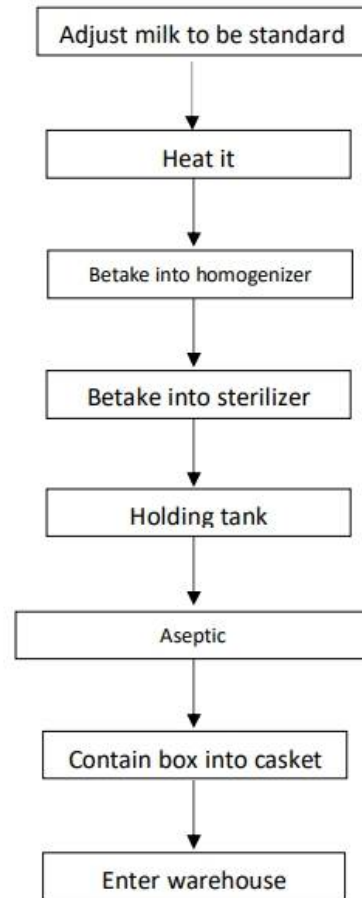
Production Procedures

Pasteurized milk and pasteurized fruit juices must be kept in low temperature environment. Keeping period is short at about 16 and 30 days from production date (respectively). For UHT milk, the product can be kept for a long period, i.e., about 8 months, and can be kept at normal temperature. Raw milk from farm will be under temperature control to be less than 8 degrees Celsius so as to maintain quality and freshness of the milk. After factory receives raw milk, the product will be suck up to be kept in big bucket through milk sucking hose. Entire procures are free from contacting people or outside atmosphere so as to get hygiene and standard milk. Regarding entire stages of production, starting from receiving raw milk until being finished product, quality verification is imposed on all stages. Currently, the company invests to purchase new machinery and improve existing machineries to be modern to be prepared for production expansion. And personnel are also developed to be knowledgeable and specialized in accordance with new technology to be prepared for demand of both existing and new customers.

Production procedures of pasteurized factory



Production procedures of UHT factory



Nature of Clients and Target Clients

The company conducts its contracting manufacturing business of UHT milk, pasteurized milk, and pasteurized fruit juices, both partial and full services. The company's clients sell UHT milk, pasteurized milk, and pasteurized fruit juices, and have required the company to produce the merchandises for them to sell in the markets. The target clients of the company are those who don't have their own manufacturing base and those who have low production capacity to satisfy the need of the market.

Marketing

Since the company has not owned a brand for its products but it is contracted for production of the merchandises for the leading brand which is worldwide renowned and of which the quality is acceptable to the consumer goods industry, the clients have come to contact the company itself. The company also deals with the merchandises that have no production base of their own. The products that the company is able to manufacture are UHT milk, pasteurized milk and pasteurized fruit juices.

Dairy Farm Business

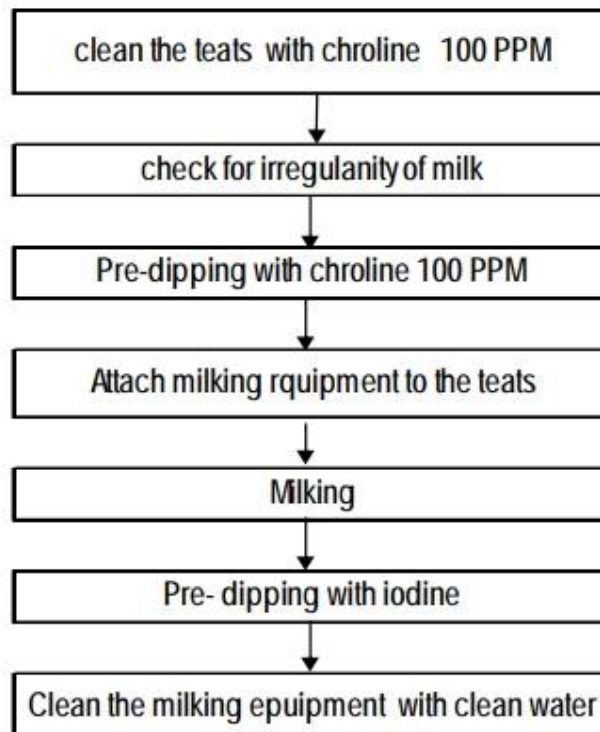
Nature of Products

The company has undertaken the dairy farming business to produce and sell raw milk to clients.

Production Capacity

There is a farm located at No. 217 Moo.1 Seka-akat amnuai Rd., Sang, Seka, Bungkan. The production capacity of the company is subject to the number of ripe dairy cows. A dairy cow could produce raw milk at 16-18 kilograms per cow per day. As of December 31, 2020, there are 432 dairy cows ready for milk production. In 2020, the company could produce 3,016,132 kg. of raw milk.

Milking Process



Distribution and Distribution Channel

For distribution channel, the company sold its raw milk to Vanichphoom Cooperative at the price lower than the regulatory price provided because the cooperative is responsible for expenses of delivery of raw milk from sale to the selling spot.

Real Estate Development Business

Nature of Products

The company is involved in the business of the office building rental, the 5-floor building, with space divided in accordance with the need of the clients on the rented space and the benefits earned by the company are the rental income and the service income. The term of the lease does not exceed 3 years while the rent and the service charge are collected on a monthly basis.

Production Capacity

The company undertakes the office building rental business with 5-floor building for one unit and multipurpose building for one unit and the parking space is available for 88 vehicles and the rented space (not including the common area is 5,110 square meters while the space of 4,630.32 square meters or 90.61 percent of the total space has already rented out.

Nature of Clients and Target Clients

The client group of the company is the companies that looking for the rented space of the office to undertake the business in Rangsit area, while the travelling to Bangkok is not too far.

(2) Industry and Competition Conditions

(a) Industry Conditions

According to the National Food Institute, Ministry of Industry, the milk business in Thailand is worth approximately Baht 40,580 million. Thai people consuming approximately 14.19 liters of milk per capita per year, which is considered to be at a very low level compared to the average milk consumption of 60 liters per capita per year in Southeast Asia and the average consumption of 104.7 liters per capita per year globally. This business has great potential for growth in the future. The milk market can be divided into two main groups:

UHT milk: Covers approximately 69% of the total market value, with a market growth rate of approximately 7% per year, categorized as UHT milk for adult and for children

- Pasteurized milk: Covers approximately 31 percent of the total market value, with a market growth rate of approximately 10 percent per year. Most of the pasteurized ready-to-drink milk products are produced from domestic raw milk and the main consumers are students in the school milk project, while other types of milk are produced from recombined milk powder. The commercial milk production will come out in the form of fresh milk which are both bland and sweet and in the form of flavored milk with the addition of various aromas and flavors in accordance with the popularity of consumers such as chocolate flavor, coffee flavor, and strawberry flavor. There is a very high competition among large operators who have a nationwide distribution system in the market. This makes it difficult for small manufacturers to enter the market.

(b) Competition conditions

Dairy business, the Company's main business, is a business that is monopolized with only some large operators. This made the competition quite limited and difficult to enter by new competitors. Operators have strong networks and high budgets to spend on product promotion. Moreover, since large entrepreneurs have established their businesses for a long time, customers have high brand awareness as well as continuous product research and development. However, since milk is a price-controlled product, the profit is not very high. Therefore, the advertising budget of the dairy business is not very high when compared to other consumer products.

Major competitors in the pasteurized milk segment are Meiji, Foremost, and Dutch Mill, while major competitors in UHT milk segment are Foremost and Thai-Denmark.

(3) Procurement of Products and Services

Contract Manufacturing Business

The nature of the business is providing the procurement services of various raw materials and packaging used for the manufacturing of products based on clients' requirements, which can be divided into 2 types of contract manufacturing as follows:

- 1) **Full Service** The Company will procure raw materials and packing materials to manufacture products until the delivery process to the clients.
- 2) **Partial Service** The Clients will procure raw materials and packing materials for production and send them to Company to carry out the manufacturing of products until the delivery of the product to the clients.

The Company's Production Base

The Company has a factory for the production of UHT milk, pasteurized milk, and pasteurized fruit juices on an area of 55 rai. The factory is located at 333 Moo 5, Klang Dong Subdistrict, Pak Chong District, Nakhon Ratchasima Province, 30320.

Standards and Awards

All these standard and awards that the Company has received will be a driving force to encourage our personnel to maintain standards and being passionate about work to improve their performance to achieve the higher success together in the future.

<u>Standard</u>	<u>Detail</u>
GMP, Dairy Products Processing Plant	The Company was certified by the Department of Livestock Development of Thailand for the first time on September 16, 2014, and was renewed its certification on September 16, 2020.
HACCP, UHT Milk Products.	The Company was certified by the Department of Livestock Development of Thailand for the first time on October 11, 2014, and was renewed its certification on October 10, 2020.
ISO 9001:2015	The Company was certified by SGS United Kingdom Ltd. for the first time on February 23, 2017, and was renewed its certification on February 26, 2020.
Food Safety System Certification (FSSC) 2200	The Company was certified by SGS United Kingdom Ltd. on December 18, 2018, and was renewed its certification on December 26, 2020.
GMP Codex Alimentarius recommended international Code of Practice General Principle of Food Hygiene CAC/RCP 1-1969, REV.4-2003 GMP 298 – Production Process, Production Equipment, and storage of ready-to-consume milk products, in liquid form which passed through pasteurization heat treatment. GMP 193 – Production Process, Production Equipment, and Food Storages. GMP 349 – Production Process, Production Equipment, and storage of low and acidified low acid conned food	The Company was certified by SGS United Kingdom Ltd. on December 18, 2018, and was renewed its certification on February 4, 2020.
HACCP (Hazard Analysis and Critical Control Point) system and guidance for its application (Annex to CAC/RCP 1-1969 REV.4-2003)	The Company was certified by SGS United Kingdom Ltd. on June 21, 2018.
	The Company was certified by SGS United Kingdom Ltd. on November 6, 2018.
	The Company was certified by SGS United Kingdom Ltd. on June 21, 2018.
	The Company was certified by SGS United Kingdom Ltd. on December 18, 2018, and was renewed its Certification on February 4, 2019

(c)
perating Assets

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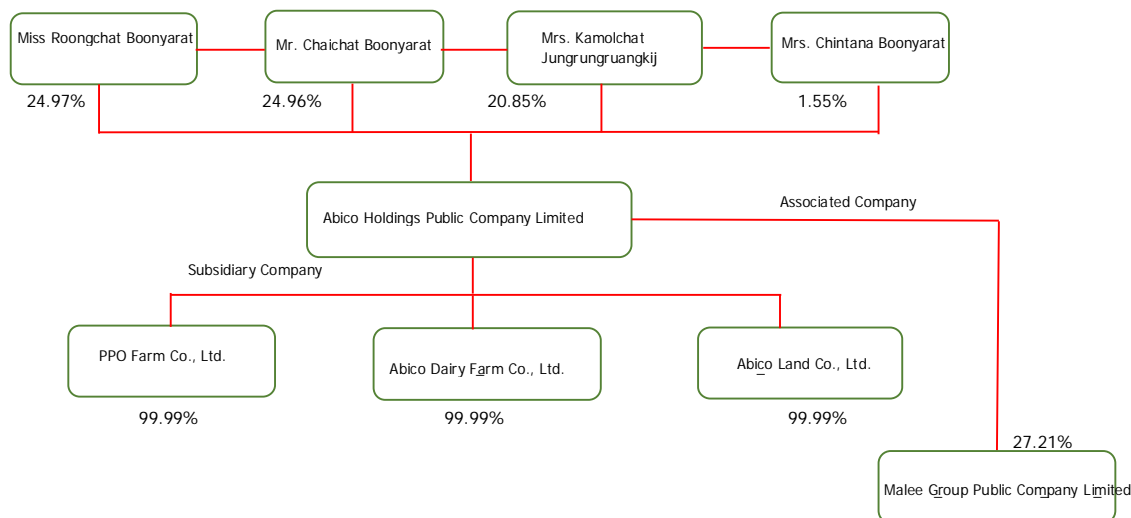
Significant Characteristics of the Main Fixed Assets Used by the Company in
Business Operations

As of December 31, 2020, the Company has fixed assets used in its business
operations as follows:

Type of Asset	Usage	Ownership	Net Book Value (Baht million)	Obligation
1. Land	Factory and Dairy farm location	The Company	278.10	Mortgaged as collateral
2. Buildings and structures	Factory and Dairy farm building	The Company	127.24	Mortgaged as collateral
3. Machines and equipment	Used for production	The Company	486.07	Partially mortgaged as collateral
4. Furnishings and office supplies	Used in office and dairy farm	The Company	20.25	None
5. Vehicles	Used in office and dairy farm	The Company	9.04	None

1.3 Shareholding Structure of the Group

1.3.1 Shareholding Structure of the Group



1.3.2 Conflict of Interest

Currently, Mrs. Kamolchat Jungrungruangkij, who holds 20.85% of the total voting shares of the Company, holds 17.57% of the voting shares in Malee Group Public Company Limited (“Malee”), whereas Malee is an associate of the Company. Therefore, it may be considered that such structure is the case where major shareholders of the Company (as a person who may have a conflict of interest with the Company) is a shareholder in Malee (the Company's associate) in excess of 10 percent of Malee's total voting shares, pursuant to Article 13(2) of the Notification of Capital Market Supervisory Board TorChor 39/2559 Re: Application for and Approval of Offer for Sale of Newly Issued Debt Securities dated September 30, 2016 (and as amended) and Clause 4(9) of the Regulations of the Stock Exchange of Thailand regarding the acceptance of listed securities, disclosure of information, and delisting of securities listed in “MAI Stock Exchange” B.E. 2020 (and as amended).

However, the Company deems that the shareholding structure of the associated company does not cause any conflict of interest, because the major shareholder of the Company who holds more than 10% of shares in the associated company is not a director and executive of both companies and does not appoint any person to be her representative to take the position of director of both companies. Also, the Company and the associated company each has clearly-separated management departments and has a policy on conflicts of interest based on the principle that any decision of personnel at all levels in carrying out business activities must be done for the best interest of the Company. In addition, the Company will allow the Audit Committee to express its opinion on the necessity and suitability of the item as prescribed by the law, or in the event that the Audit Committee or the Board of Directors deems appropriate that any related party transactions should be authorized by independent experts as the persons who express their opinion on the aforementioned related transactions for consideration comment or the decision of the

Audit Committee, the Board of Directors, or the shareholders of the Company, as the case may be. The Company will have to appoint independent experts to express their opinions on such matters

1.4 Number of Registered Capital and Paid-up Capital

The Company has a registered capital of 244,400,000 shares with a par value of 1 baht per share, totaling 244,400,000 baht and has a paid-up capital of 244,397,239 shares with a par value of 1 baht per share, totaling 244,397,239 baht. The list of the top 10 shareholders as of the book closing date on March 14, 2022 is as follow:

No.	Shareholder's Name	Number of	Ratio (%)
1.	Miss Roongchat Boonyarat	61,015,364	24.97%
2.	Mr. Chaichat Boonyarat	61,010,539	24.96%
3.	Mrs. Kamolchat Jungrungruangkij	54,751,746	22.40%
4.	Mr. Songpol Techakarin	5,570,580	2.28%
5.	MAY BANK KIM ENG SECURITIES PTE.,	3,173,622	1.30%
6.	Miss Manunya Techakarin	2,726,000	1.12%
7.	Miss Sineenart Panjarenworakul	2,228,574	0.91%
8.	Mr. Trakul Techakarin	2,010,424	0.82%
9.	Thai NVDR Co., Ltd.	1,903,895	0.78%
10.	Mr.Vidhaya Narathusachan	1,456,000	0.60%
	Total	195,846,744	80.13%

Number of Company's Shares Held by Directors as of December 31, 2021

Name	As of Dec 31, 2020	Increase (Decrease) During the Year	As of Dec 31, 2021
1.Mrs. Chintana Boonyarat	1.55%	-	1.55%
2.Mr. Kitti Vilaivarangku	-	-	-
3.Mr. Chaichat Boonyarat	24.96%	-	24.96%
4.Mr. Khemadhat Sukonhasingha	-	-	-
5.Mr. Arnan Maiphum	-	-	-
6.Mr. Karn Punyacharoensia	-	-	-

1.5 Issuance of Other Securities

- None

1.6 Dividend Payment Policy

The Company's dividend policy at a rate not less than 30% of the profit after tax from operations according to the separate financial statements, and reserves of all types, as required by law. However, such payment must be in accordance with the cash flow, investment plans of the Company and subsidiaries, as well as necessities and circumstances in the future.

In 2021, the Company saw a net profit of Baht 39.30 million in the separate financial statements. According to the resolution of the Board of Directors Meeting No. 1/2022 on February 25, 2022, the Company will pay the dividends in forms of cash at the rate of 0.0452 Baht per share.

Year	Net Profit per Share (Baht per Share)	Dividend Payout (Baht per Share)	Dividend to Net Profit (%)
2021	0.16	0.0452	30%
2020	0.11	0.044444444444	40%
2019	(0.02)	-	0%

However, the rights to receive the dividends is uncertain until it is approved by the 2022 Annual General Meeting of Shareholders.

2. Risk Management

Risk from the Pandemic of Covid-19

The Company has closely and continually monitored the situation of the COVID-19 pandemic, as well as implemented various safety and sanitation measures according to the standard guidelines of the Ministry of Public Health. The Company has also supported the policy of asking for cooperation from the government to fully and strictly adapt for the changing situation. The Company has complied with the guidelines on management according to the measures.

Risk from Business Operations

Subsidiary company (Abico Dairy Farm Co., Ltd.), a major company operation of Abico Holdings Public Co., Ltd., depends mostly on our customer in contract manufacturing. Due to the fact that we don't have our own products, as well as to prevent any negative effect on our operation, we are dealing business with many different customers in order to spread the risk of depending too much on only one customer. Moreover, we have long-term contract manufacturing agreements with our customers. Regarding daily farms business, which is run by a subsidiary company and is exposed to risk of milk's prices which are under government sector's control, as a result, it should not pose any risk. In addition, consumers' behavior of milk drinking is uptrend. So, they should be positive factors towards raw milk's prices in the future. Consequently, PPO Farm Co., Ltd. (subsidiary company) does not make derivatives agreement or any other agreements to reduce risk of raw milk's prices.

Risk from Interest Rates

Abico Group is exposed to significant interest rate risk in relation to bank deposits, lending, short-term loans, and long-term loans. Most of the financial assets and liabilities bear interest rates that fluctuate according to the market rate, or with a fixed interest rate that is close to the current market rate.

Risk from Fluctuation of Raw Material Price and Supply of Raw Material

As for business of production hire to order, which customers allow the Company to be a major supplier of raw materials, namely, milk powder, the price of milk powder depends on fluctuation of market price, causing uncertainty in raw material price. Moreover, an order of milk powder must have quota that is able to proceed in purchase ordering. The Company has requested quota of milk powder to be enough with order quota of customers. As the matter of price, if price increases, the Company will be able to adjust the price with customers. As for business of dairy farms, tapioca chips have to be used as feed for dairy cattle. However, the price of tapioca chips increases. For solving this problem, the Company cultivates corn by itself and uses pellets, corn cobs and corn husks replacing tapioca chips as all of them have cheaper price and nutrition value for dairy cattle similar to tapioca chips which have higher price and does not affect quantity and quality of milk.

Risk from Lacking of Skillful Workers

As the government increases minimum wage throughout the country with workers returning to original domicile to enter into agricultural sector increasingly from supports in several projects of public sector and entering into AEC; several industrial sector, including the Company has to adapt by applying more modern machine and technology for increasing and extending production; therefore, tendency in lacking of skillful workers is possible. However, the Company still focuses on personnel by having a procedure in recruiting new personnel and arranging training for developing skill and ability of workers specifically in performance; in addition, a plan is prepared for developing new generation personnel in order to handle the lacking of skillful workers.

3. Driving Business for Sustainability

3.1 Sustainability Management Policy and Goals

In 2021, the Company has reviewed its business development policy for sustainability along with social responsibility and environmental care by focusing on business operations related to contract manufacturing of UHT ready-to-drink milk, pasteurized milk, and pasteurized fruit juices. The aim is to maintain customer confidentiality and produce quality products that meet international standards for consumers. The Company has emphasized on creating work standards in order to stay competitive, with focus on operating under the principles of good governance and good corporate governance principles, being responsible, and taking into account the principles of human rights, whether it be customers, employees, partners, society, or communities to reach for sustainable development.

3.2 Managing the Impact on Stakeholders in the Business Value Chain

3.2.1 Business Value Chain

Sales and Production Planning

The Company has focused on managing marketing strategies by producing quality products with the help of modern technology in the production process in order to gain trust and meet the needs of customers. This allows customers to be able to compete sustainably and leads to building a business relationship between the Company and its customers.

Raw Material Procurement

The Company has procured raw materials and packaging materials for production based on the list of the customers. The procurement of raw materials and packaging materials used in the production process of the Company's products come from both domestic and international source through agents who produce raw materials as specified by the Company's customers. Each order will be based on the production plan that the customers and the Company have set together.

Production

The Company has been determined to maintaining the quality of products for consumers according to international principles and under food safety. In addition, there has been the use of modern machinery to reduce production costs but still maintain the quality of production by management and quality control in each step, starting from the quality inspection of raw materials to quality control in production, in order to meet the quality standards that the customers have set.

Currently, the Company has products for a variety of customers. The Company has also been certified standards such as FSSC22000 (Food Safety System Certification V5.1), GHPs Standards, HACCP Standards, etc. The aim is for customers and consumers to be confident in quality and production processes that must be in accordance with the principles of production.

After Sales Service

The Company prioritizes the satisfaction of customers including the needs and expectations regarding quality and service. The Company will act promptly if the customers have a demand for the quality of the product and expedite the investigation of the claim and promptly report back to the customers, while also being open to listening to the opinions of customers in order to improve and develop the quality of products to meet the needs of customers.

3.3 Sustainability Management in Environmental Dimensions

3.3.1 Environmental Policies and practice Guidelines

The companies in the Abico group are aware of environmental sustainability management such as waste management, water management, control and reduction of emission, and providing services with responsibility to the environment and communities surrounding the project. We have set some policies such as focusing on reducing energy use and resources within the company, reducing the use of factors in the operation by using economically and achieve maximum efficiency, and reducing waste from the production process to the minimum level.

3.3.2 Environmental Performance

Energy Management

According to the policy to reduce dependence on energy or conventional fuel, in 2020, the Company has started a project to generate electricity from solar power (Solar Rooftop) to produce electricity for own use in factories and buildings. This is considered to be one of the useful renewable energy because it is the use of sunlight which is an existing natural resource and a clean energy with no reaction that poisons the environment. The Company has begun to install solar rooftop, capable of generating 997.6 megawatts of electricity, resulting in the Company reducing its electricity bill by 4.12 percent in 2021.

Waste Management

The Company has a waste management system that arises from the production process. The Company has hired a company that has a license to transport and dispose of waste legally.

Management to Reduce Greenhouse Gas Problems

The Company does not provide greenhouse gas emissions information, but the Company has policies and practices that help reduce greenhouse gas emissions, and will present in One Report for the year 2022.

4. Management Discussion and Analysis: (MD&A)

(Unit: Thousand Baht)	2021	2020	2019
Income			
Income from sales and services	2,289,028	2,061,847	1,206,022
Other income			
Profit from change in fair price minus estimated point-of-sale expenses of dairy cow	13,888	10,415	10,645
Others	9,089	20,904	29,337
Total income	2,312,005	2,093,166	1,246,004
Cost of sales and services Expenses	(2,115,542)	(1,835,846)	(1,010,747)
Expenses of sales and services	(93,428)	(77,224)	(73,177)
Financial cost	(17,051)	(20,306)	(20,128)
Total expenses	(2,226,021)	(1,933,376)	(1,104,052)
Profit before share of profit	85,984	159,789	141,952
Share of profit of associate	(31,024)	(54,665)	(57,036)
Profit before tax expenses	54,960	105,124	84,916
Tax expenses	(8,848)	(24,290)	(27,299)
Net profit for the year	46,112	80,834	57,617
Basic earnings per share	0.19	0.34	0.25

4.1 Discussion on Operating Results for the Year Ended December 31, 2021

Here is the summary of the operating results for the year as of December 31, 2021, compared to the operating results for the year as of December 31, 2020. The Company and its subsidiaries saw a revenue increase of Baht 227 million, accounted for 11 percent, and a gross profit decrease of Baht 53 million; because the contract manufacturing business has changed to the form of full service more than the previous year. There was also an increase of depreciation charge compared to 2020 to improve production efficiency, reduce production costs in the future, and support the increasing production volume in the future. Consequently, as for the consolidated financial statements in 2021, the Company saw a net profit of Baht 46 million baht, a decrease of Baht 35 million baht or 43 percent compared to 2020. In 2021, the Company saw a profit from operations of Baht 77 million and had the realization of loss sharing from investments in its associated companies amounting to Baht 31 million baht, a decrease of Baht 24 million baht or 43 percent compared to 2020.

Discussion on the Statement of Financial Position as of December 31, 2021

(Unit: Thousand Baht)	2021	2020	2019
<u>Statement of financial position</u>			
<u>Assets</u>			
Cash and bank deposits	45,244	13,955	17,063
Trade and other receivables	478,683	468,825	315,218
Inventories	152,254	125,974	116,976
Lease receivable	75,881	83,742	-
Investment in associated company	210,473	235,093	286,204
Land, buildings, and equipment	757,694	803,452	871,717
Right-of-use assets	179,073	214,689	-
Biological assets	49,938	46,250	45,970
Other assets	18,476	16,876	31,403
Total assets	1,967,716	2,008,856	1,684,551
<u>Liabilities</u>			
Short-term loan	220,000	143,000	83,000
Trade and other payables	339,989	320,841	210,541
Long-term loan	103,334	236,951	310,805
Liabilities under financial lease agreement	201,692	253,106	113,872
Other liabilities	111,360	115,090	107,919
Total liabilities	976,375	1,068,988	826,137
<u>Shareholder's equity</u>			
Issued and paid-up share capital	244,397	235,000	235,000
Treasury shares surplus in associated company	-	-	1,491
Treasury shares in associated company	-	-	(31,111)
Legal and statutory reserves	24,440	23,500	23,500
Reserve for treasury shares in associated company	-	-	31,111
Retained earnings (deficits) - unappropriated	471,635	436,904	355,447
Other components of equity	250,869	244,464	242,976
Total shareholder's equity	991,341	939,868	858,414
Earnings (Loss) per share	1,967,716	2,008,856	1,684,551

Total assets were Baht 1,967.72 million, which increased by Baht 42.14 million from 2020.

- Trade and other receivables increased by Baht 7.01 million because the Company delivery more product to customers. This was consistent with the increased revenue in the contract manufacturing business of milk, drinks, and fruit juices.
- Inventories increased by Baht 26.28 million because the Company had to reserve more packages and raw materials in manufacturing for existing customers and new customers.
- Lease receivables decreased by Baht 7.86 million due to the receipt of rent payments under financial lease agreements.
- Investment in the associated companies decreased by Baht 24.61 million due to the recognized share of loss in the associate companies.
- Land, buildings, and equipment decreased by Baht 45.76 million. The Company invested Baht 19.56 million on equipment in 2021 and there were the depreciation of Baht 60.24 million between the periods.
- Biological assets increased by Baht 3.69 million due to the adjustment of fair value of the dairy cattle in the subsidiaries.
- Other assets were mostly deferred income tax assets, intangible assets and other non-current assets.

Total liabilities were Baht 976.38 million, which decreased by Baht 92.61 million from 2020.

- Bank overdrafts and short-term loan increased by Baht 77 million. The Company had short-term loans as promissory notes (P/N) increased from 2020 to be used as working capital within the Company.
- Trade and other payables increased by Baht 14.89 million because the Company purchased raw materials and packing materials in production for customers.
- Liabilities under financial lease agreements decreased by Baht 51.42 million because the Company has paid liabilities under financial lease agreements.
- Long-term loan decreased by Baht 133.62 million because the Company has paid for the loan under financial lease agreements.
- Other liabilities composed of deferred tax liabilities, and employee benefit liabilities.

Important Financial Ratios

	2021	2020	2019
<u>Liquidity ratio</u>			
Liquidity ratio (times)	1.02	0.97	0.98
Quick liquidity ratio (times)	0.72	0.76	0.72
Liquidity ratio of cash flow (times)	0.30	0.36	0.34
Accounts receivable turnover ratio (times)	4.97	5.53	6.14
Average loan collection period (days)	73	66	59
Inventory turnover ratio (times)	15.12	15.11	8.53
Average product distribution period (days)	24	24	42
Payable turnover (times)	7.41	9.12	12.08
Debt payment period (days)	49	40	30
Cash cycle (days)	48	50	72
<u>Profitability ratio</u>			
Gross profit ratio (%)	7.58	10.96	16.19
Operating profit margin ratio (%)	3.37	6.57	9.51
Net profit ratio (%)	1.99	3.86	4.62
Return on equity (ROE) ratio (%)	4.78	8.99	6.90
<u>Efficiency ratio</u>			
Return on asset ratio (ROA) (%)	2.31	4.37	3.72
Return on fixed asset (ROFA) ratio (%)	15.02	18.60	16.77
Asset turnover ratio (times)	1.16	1.13	0.80
<u>Financial policy ratio</u>			
Debt to equity ratio (D/E) (times)	0.98	1.14	0.96
Interest payment capability ratio	9.68	11.00	8.24

5. **General Information and Other Significant Information**

5.1 **General Information of the Company**

Company's Name : Abico Holdings Public Company Limited
Address : 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, Pathumthani Province 12130
Telephone No. : 02-080-7899 Fax : 02-080-7805
Company's Registration No. : 0107535000214
Website : www.abicogroup.com
Type of Business : Investment on production to order business, dairy farm, food and property
Abbreviation : ABICO
Authorized Share Capital : Baht 244,400,000
Paid-up Capital : Baht 244,397,239
Number and Type of Shares : 244,397,239 shares (All shares are common shares)
Par Value : Baht 1

Summary of Information Relating to Subsidiary Companies

Company's Name : Abico Dairy Farm Co., Ltd.
Headquarters' Address : 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, Pathum Thani Province 12130.
Factory's Address : 333 Moo 5 Klangdong Sub-District, Pakchang District, NakhonRatchasima Province 30320
Telephone No. : 02-080-7899 Fax : 02-080-7805
Company's Registration No. : 0135540004263
Type of Business : Producer and distributor of ready-to-drink milk, drinks and fruit juices
Abbreviation : ADF
Authorized Share Capital : Baht 240,000,000
Paid-up Capital : Baht 240,000,000
Number and Type of Shares : 24,000,000 shares (All shares are common shares)
Number of Shares Held by the Company : 23,999,993 shares (99.99%)

Company's Name : PPO Farm Company Limited
Headquarters' Address : 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, Pathum Thani Province 12130.
Farm's Address : 217 Moo 1 Sega-Akas-Amnuay Road, Bansang, Bansang Sub-District, Buengkan Province.
Telephone No. : 02-080-7899 Fax : 02-080-7805
Company's Registration No. : 0105528026309
Type of Business : Dairy farm for production and distribution
Abbreviation : PPO
Authorized Share Capital : Baht 19,250,000
Paid-up Capital : Baht 19,250,000
Number and Type of Shares : 770,000 shares (All shares are common shares)
Number of Shares Held by the Company : 769,993 shares (99.99%)

Company's Name : Abico Land Company Limited
Headquarters' Address : 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, Pathum Thani Province 12130.
Telephone No. : 02-080-7899 Fax : 02-080-7805
Company's Registration No. : 0105537090103
Type of Business : Property development for lease and building service providing
Abbreviation : ALAND
Authorized Share Capital : Baht 50,000,000
Paid-up Capital : Baht 50,000,000
Number and Type of Shares : 5,000,000 shares (All shares are common shares)
Number of Shares Held by the Company : 4,999,998 shares (99.99%)

Summary of Information Relating to Associate Companies

Company's Name	:	Malee Group Public Company Limited
Headquarters' Address	:	401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, Pathum Thani Province 12130
Telephone No.	:	02-080-7899 Fax: 02-080-7804
Company's Registration No.	:	0107535000073
Type of Business	:	Producer and distributor of canned-fruits, UHT juices, and beverage products
Abbreviation	:	MALEE
Authorized Share Capital	:	Baht 138,000,000
Paid-up Capital	:	Baht 138,000,000
Number and Type of Shares	:	276,000,000 shares (All shares are common shares)
Number of Shares Held by the Company	:	75,100,000 shares (27.21%)

5.2 Other Significant Information

5.2.1 Securities Registrar

Thailand Securities Depository Co., Ltd.
93, 14th Floor, Ratchadaphisek Road,
Din Daeng, Bangkok 10400
Telephone (02) 009-9000

5.2.2 Auditor

Mr. Supachai Phanyawattano CPA Registration No. 3930
EY Office Limited
193/136-137, Lake Rajada Office Complex, 33rd Floor
Rajadapisek Road, Klongtoey, Klongtoey, Bangkok 10500
Telephone (02) 264 - 0777 Fax (02) 264-0789-90

5.2.3 Internal Auditor

Mr. Jitdanai Kanabutr
P.J. Accounting and Audit Company Limited
599/25 Ladplakao Rd., Chorakhe Bua, Ladprao,
Bangkok, 10230

5.2.4 Regular Contact Financial Institutions

Kiatnakin Bank Public Co., Ltd.
209, KKP Tower, Subhumvit 21 (Asoke), Klong Toey Nua,
Wattana, Bangkok, 10110
Telephone (02) 531-9280 Fax: (02) 531-5248

5.2.5 Legal advisor

Bunchong and Vidhya Low Office Limited.
33/35, 33/39-40 Wall Street Tower Bldg. , Fl.9
Surawong Rd., Suriyawong, Bangrak, Bangkok 10330
Telephone (02) 236-2334, (02) 233-1666 Ext. 3910-1 Fax: (02)
236-3916

5.3 Legal Dispute

During the year 2022, there is no legal dispute that affects the Company.

Part 2

Corporate Governance

6. Corporate Governance Policy

In 2021, the Company received a Corporate Governance Report (CGR) rating of a 4-star, which is a very good level.



The Company recognizes the importance of business operation based on responsibility and integrity and hence has put its emphasis on good corporate governance and management with aim to increase its competitiveness capability, better management efficiency, and transparent / explicit business operation. The Company concentrates on sustainable growth, which will increase value of the Company in a long term for benefit of shareholders and all stakeholders. Company has determined Good Corporate Governance to directors, executives and employees to adhere to as a guideline to perform their duties as follows:

6.1 Policies and Guidelines Related to the Board of Directors

The Board of Directors consists of qualified persons with diverse knowledge, abilities, and experiences, who can use their experience to develop and formulate policies that will benefit the Company's operations. The Board of Directors is independent in making decisions for the best interest of the Company and shareholders, and has an important role in formulating the Company's policies as well as supervising, tracking, and monitoring performance of the Management and assessing the performance of the business compared to the planned work. There Board of Directors consists of not less than 5 members, with one-third of total members are independent directors. The Company has appointed an Audit Committee which comprises of 3 independent directors with a term of office of 3 years each, while the framework and authority to operate of the said committee is clearly set.

The Company's directors understand their duties and responsibilities as the Company's directors and are willing to express their own opinions independently and keep themselves up-to-date all the time, while also perform their duties with honesty, carefulness, and prudence, taking into account the best interests of the Company and fair to all shareholders

The Company has its policy on nomination and remuneration. The Nomination and Remuneration Committee is responsible for recruiting persons with knowledge, abilities, and benefits to the Company's business operations. To determine the remuneration of the directors, the Nomination and Remuneration Committee considers the criteria for the payment of remuneration by comparing the suitability among the same industry and the knowledge and capability of the Board of Directors before presenting to the Board of Directors for consideration and approval, and then present to the General Meeting of Shareholders to be considered annually.

Supervision on Subsidiary Companies and Associated Companies

In supervising the operations of the Company and the associated companies, the Company will send its representatives to be the directors of the subsidiaries and such associates. The representatives of the Company may be the chairman of the board of directors, directors, or managing directors who have the qualifications and experiences, without conflict of interest with the businesses of the subsidiary companies and the associated companies. The representatives of the Company who serve as directors in subsidiaries shall manage the business of the subsidiaries in accordance with the rules and regulations as specified by the Company.

6.1 Policies and Guidelines Related to Shareholders and Stakeholders

Rights of Shareholders

The Company has a policy to treat shareholders fairly in order to increase the confidence of shareholders, investors, and all related parties. The Board of Directors has established guidelines to protect the fundamental rights of shareholders, namely the rights of ownership through control of the Company through the appointment of the Board of Directors who act on their behalf; the rights to buy, sell or transfer shares; the rights to attend the shareholders' meeting; voting opportunity; the rights to question, comment, and participate in making decisions on important changes; the rights to appoint another person to attend the meeting and vote on their behalf; the rights to appoint and remove the Board of Directors; the rights to vote on the appointment and determination of the auditor's remuneration, including not taking any action which is a violation or deprivation of the rights of shareholders. The key principles are as follows:

Guidelines on holding Shareholders' Meeting

The Company sent invitation letter along with the meeting agenda showing objectives and reasons of the meeting and opinions of directors in order to enable shareholders study the information included at least 21 days prior to the meeting date. The Company held the Annual General Meeting of Shareholders 2020 on 20 April 2019 at 13:30 hrs. at Cafeteia Room, Abico Building, No. 401/1, Phaholyothin Road, Ku Kot sub-district, Lamlukka district, Pathumthani. In case where shareholders cannot attend the meeting, they may assign any independent Director or any person to attend the meeting on their behalf by using the proxy form which is sent together with the notice to the meeting or it can be downloaded through the Company's website. The Company shall also accommodate for shareholders equally to attend the meeting both in terms of appropriate location and time of the meeting.

As for holding the shareholders' meeting, the Company uses technology in the shareholders' meeting in terms of the registration of shareholders, vote counting, and displaying the results to allow the meeting to proceed properly. This will also encourage directors to attend all shareholders' meetings. The shareholders are able to question the Chairman of the Board of Directors and the Chairman of various sub-committees. The minutes of the meeting are recorded verbatim where all questions and comments are recorded for review and reference purpose. Then the minutes of the meeting will be disclosed in the Company's website and sent to the Stock Exchange of Thailand within 14 days from the date of the meeting.

The Equitable Treatment of Shareholders

The Company is aware of the duty to grant the rights of shareholders and treat all shareholders equally. The Company has a policy to disclose the Company's information in various fields with completeness, accuracy, and transparency, including the rights that shareholders have or matters that affect the Company. The guidelines are as follows:

- 1) The rights to appoint another person as a proxy to attend the meeting and vote on his behalf

In the event that any shareholder is unable to attend the meeting in person, they can exercise the rights to appoint another person or independent director of the Company that has been nominated as a proxy to attend the meeting to vote on their behalf. In the case of appointing a proxy to an independent director of the Company, the shareholder shall submit a proxy form with complete details along with a copy of the identification card or other identification documents as prescribed

- 2) The rights to propose meeting agendas and the rights to nominate a person to be a director of the Company\

The Company allows shareholders to propose additional meeting agendas in addition to the agendas of the shareholders' meeting, including the nomination of persons to join the Company's directorship. The Company shall consider only those who meet the specified criteria, which has been announced on the Company website or the details can be viewed in the Corporate Governance Policy.

In the 2021 Annual General Meeting of Shareholders, the Company gave the shareholders the opportunity to propose the agenda and the rights to nominate a person to be a director of the Company between November 9, 2020 and January 14, 2021, but no shareholders proposed the meeting agenda and nominate qualified persons to be considered for election as directors in advance.

The Role of Stakeholder

The Company is aware and realizes the rights of all stakeholders whether internal stakeholder which are shareholders, staff, and external stakeholders such as customers, trading partners, creditors, competitors, state sectors and other authorities including surrounding communities. To express appreciation to stakeholder that supporting us in competition and generating profit which is considered as long-term value, the Company hence, has determines policies as following:

- 1) Shareholders

The Company operates its business with regard to the basic benefits that are equal to the shareholders. The Company has established operating guidelines in accordance with the principles of good corporate governance. Disclosure of information is appropriate, accurate, and transparent to create long-term added value for shareholders.

2) Employees

The Company treats its employees as the most important resource in leading the Company to success. The Company therefore emphasizes on the respect of human rights by treating employees fairly at all levels in order to create opportunities for potential development and appropriate compensation based on knowledge and ability. The Company also takes care of providing appropriate welfare for employees and listening to employees' opinions and suggestions under the basis of professional knowledge of employees.

3) Customers

The Company is committed to creating maximum customer satisfaction so that customers can be confident that the products produced by the Company are of good quality. The Company also emphasizes on keeping the confidentiality of customers.

4) Business Partners and/or Creditors

The Company values equality in business operations with fairness and transparency. Also, the Company has no policy on receiving any illegal benefits from business partners and creditors, including not supporting business partners and creditors who have misconduct and be in connection with corruption or human rights violations.

5) Competitors

The Company operates its business in accordance with the framework of fair competition such as do not violate confidentiality or invade a competitor's trade secret, while taking into account the principles of competition law and business ethics.

6) Society and Communities

The Company has a policy to operate its business in ways that is beneficial to the economy and society, while also adhere to good citizenship practices and comply with all relevant laws and regulations. The Company also takes part in the promotion and upgrading of the quality of life of the society and the communities. Part of the Company's budget shall be allocated to support activities that are beneficial to society, communities, and the environment on appropriate occasions.

7) Overseeing the Safety and Health of Employees

The Company emphasizes on the maintenance of a safe working environment for both life and assets of employees at all times, including welfare provisions such as annual health check-up, medical welfare, group life insurance for employees, establishment of a provident fund, and training for the development of employees' work potential, etc.

The Number of Training for Directors, Executives, and Employees

The Board of Directors and executives see the importance in development of human resource. In 2021, the Company has provided training as follows:

Training Hours of Executives and Employees

	Hour/Person/Year
Executives Training Hours	41 Hours
Employees Training Hours	8 Hours

Statistics on employee accidents in 2021 are as follows:

Injury Frequency Rate (IFR) is 0.84

IFR stands for Injury Frequency Rate = (Total number of injuries that cause absence from work x 1,000,000 / Total number of working hours of employees in that department)

8) Environment

The Company adheres to sustainable business operations and responsibility to overall environment by focusing on the development of business operations to establish the standards in accordance with the rules prescribed by law and the relevant rules and regulations.

9) Intellectual Property

The Company has a clear-cut policy not to do anything to infringe on intellectual property whether in terms of copyright, patent or trademark, trade secret ,and other intellectual property as required by law such as the use of copyrighted computer programs. All types of computer programs must be verified and programmed by only the Information Technology Department to prevent the use of pirated software.

10) Respect to law and human rights

The Company recognizes the importance of combating all forms of human rights violations with no discrimination against nationality, race, sex, age, skin color, religion, body condition, family status within the Company. This includes not using child labors who are lower than the criteria prescribed by the labor law and not acting in violation of the rights of employees which are protected by law.

Disclosure and Transparency

The Company will ensure that the Financial Report is accurate, complies with generally accepted accounting standards, and passed the audit from the auditor who is independent to express an opinion on the financial statements and has been certified by the Securities and Exchange Commission and the Stock Exchange. The Company will also ensure the disclosure of financial information and information that is important to shareholders, investors and the general public. The Company discloses the information about each directors, roles and duties of the Board of Directors and committee as well as remuneration of directors and senior executives in the Annual Report.

6.2 Code of Conduct of Abico Group

Abico Group conduct its business ethically and adhere to the correctness under the principles of good corporate governance. It has established ethics for directors, senior executives, and all employees to comply with. The Company believes that good business practices are based on ethics that leads to sustainable success. The Company has published the corruption policy for directors, executives, and employees

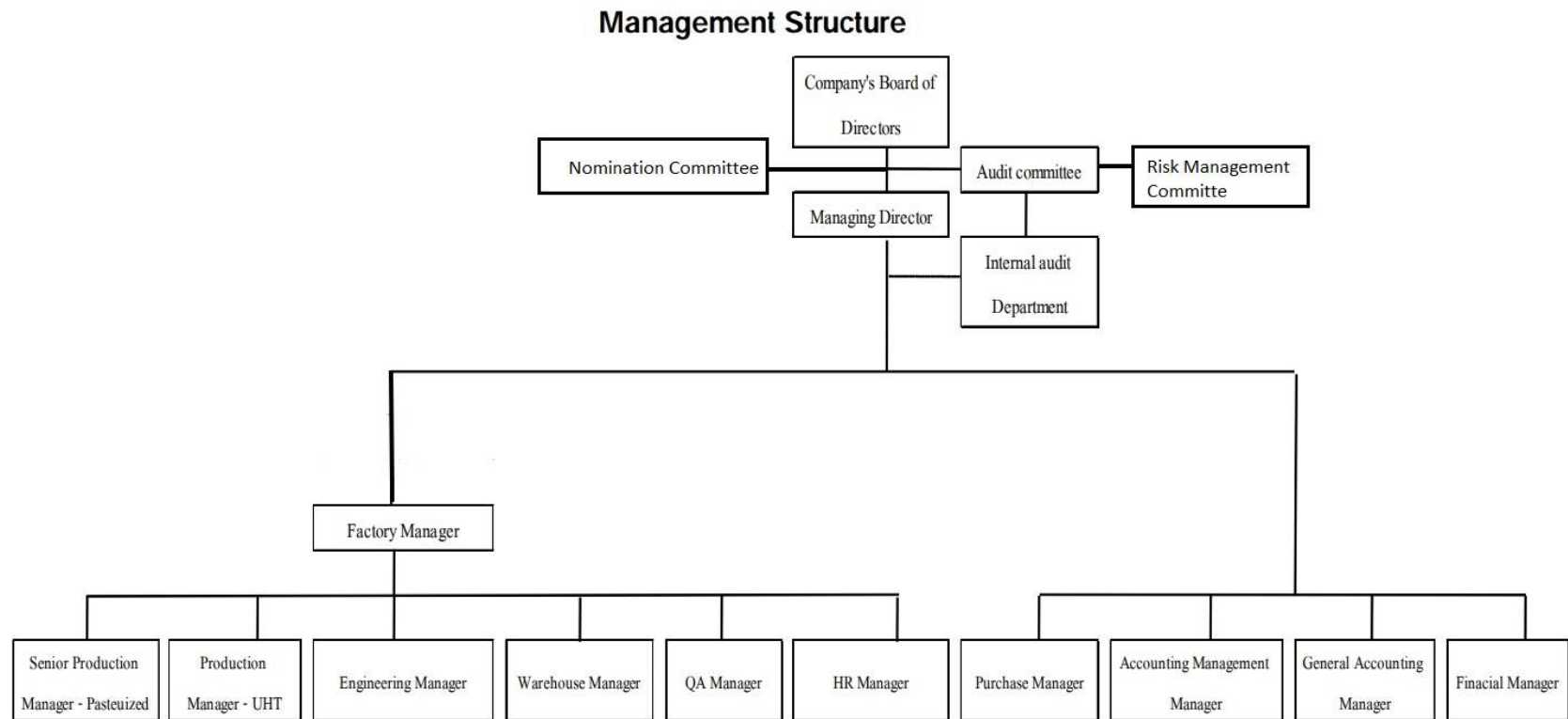
to acknowledge through various corporate media, and then actively encourage the implementation.

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

The Board of Directors Meeting No. 4/21 dated November 11, 2021, has approved the said policy. In this regard, the Board of Directors has arranged for a policy review and compliance with the said policy on an annual basis. There is communication and training for everyone in the organization, as well as the understanding of the correct corporate governance policy to encourage everyone in the organization to comply with the specified policy. The Company has adopted good corporate governance guidelines for listed companies, with the Good Corporate Governance Principles of Listed Companies 2017 of the SEC serving as a guideline.

In 2021, the Company has complied with the good corporate governance principles, but has not yet covered the criteria of the Corporate Governance Report of Thai Listed Companies and ASEAN CG Scorecard. Thus, for the sake of development, the Company should emphasize on the development in 3 categories, namely equitable treatment of shareholders, disclosure and transparency, and the responsibilities of the Board of Directors. The Company has disclosed the information as suggested in the Company's annual report.

7. Corporate Governance Structure and Important Information on the Board of Directors, sub-committees, executives, employees, etc.



7.2 Profiles of the Board of the Directors



Name	Mrs. Chintana Boonyarat
Position in the Company	Company's Chairman
Age	70 years old
Appointment date to director	3 November 1992
Education	Bachelor Degree: Business Administration, Menlo University, United States of America
Training for Director's Roles	Directors Certification Program DCP 5/2000, Thai Institute of Directors (IOD) Top Executive Program in Commerce and Trade (TEPCot3), University of the Thai Chamber of Commerce
Experiences	2018 - Present : Chairman, Abico Holdings Public Co., Ltd. 2018 – Present : Chairman, Malee Group Public Co., Ltd. 1992 - 2018 : Director, Abico Holdings Public Co., Ltd. 2008 – 2018 : Director, Malee Group Public Co., Ltd. 2016 – Present : Director, Abico Land Co.,Ltd. 2013 – Present : Director, Central Marketing Group Co., Ltd.
Director / Executive Director in other listed companies	Chairman, Malee Group Public Co., Ltd. Director, Central Plaza Hotel Public Co.,Ltd.
Director / Executive Director in other non-listed companies	Director, Abico Land Co., Ltd. Director, Central Group.
Shareholding Ratio	1.55%
Relation among family within the Company	Mother of Mr.Chaichat Boonyarat



Name	Mr. Kitti Vilaivarangkul
Position in the Company	Managing Director, Director, Member of Nomination and Remuneration Committee
Age	65 years old
Appointment date to director	31 July 1999
Education	Master Degree: Business Administration, Thammasat University. Bachelor Degree: Accounting (Second Class Honors), Ramkhamhaeng University
Training for Director's Roles	Directors Accreditation Program DAP2005 Course, Thai Institute of Directors (IOD) Director Certification Program DCP 2010 Course, Thai Institute of Directors (IOD) Board Nomination and Compensation Program BNCP 2019, Thai Institute of Directors (IOD)
Experiences	1999 - Present: Managing Director, Abico Holdings Public Co. Ltd. 2003 - Present: Executive Director, Malee Group Public Co. Ltd. 2003 - Present: Director, Malee Enterprise Co. Ltd. 1997 - Present: Director, Abico Dairy Farm Co, Ltd. 1997 - Present: Director, PPO Farm Co. Ltd. 1999 - Present: Director, Abico Land Co., Ltd.
Director / Executive Director in other listed companies	Director - Malee Group Public Company Limited
Director / Executive Director in other non-listed companies	Director - Abico Dairy Farm Co.,Ltd. Director - Abico Land Co.,Ltd. Director - PPO Farm Co.,Ltd. Director - Malee Enterprise Co.,Ltd.
Shareholding Ratio	None
Relation among family within the Company	None



Name	Mr. Chaichat Boonyarat
Position in the Company	Company's Vice Chairman
Age	42 years old
Appointment date to director	29 April 2013
Education	Master Degree: Business Administration, Sasin Graduate Institute of Business Administration Bachelor Degree: Electrical Engineering, Rochester Institute of Technology
Training for Director's Roles Experiences	Directors Certification Program DCP 182/2013 Course 2013 – Present: Director, Abico Holdings Public Co., Ltd. 2018 – Present : Director, Abico Dairy Farm Co. ,Ltd. 2016 – Present : Director, Abico Land Co., Ltd.
Director / Executive Director in other listed companies	None
Director / Executive Director in other non-listed companies	Director - Abico Dairy Farm Co., Ltd Director - Abico Land Co., Ltd.
Shareholding Ratio	24.96%
Relation in family within the Company	Son of Mrs. Chintana Boonyarat

Name	Mr. Khemadhat Sukonhasingha	
Position in the Company	Independent Director , Chairman of Audit Committee Chairman, Member of Nomination and Remuneration Committee, Member of Risk Management Committee	
Age	73 years old	
Appointment date to director	14 September 2000	
Education	Honorary Doctor of Industrial Technology, King Mongkut's University of Technology North Bangkok National Defense College, National Defense Course, Joint Public and Private Sectors Bachelor Degree: Engineering (Electrical Communication), Chulalongkorn University	
Training for Director's Roles	Director Certificate Program Course (2006), Thai Institute of Directors (IOD) Audit Committee Program Course (2006), Thai Institute of Director (IOD))	
Experiences	2000 – Present: Audit Committee Chairman and Independent Director, Nomination and Remuneration Committee and Member of Risk Management Committee; Abico Holdings Public Co., Ltd. 2005 – 2014 : Audit Committee and Independent Director, Malee Group Public Co., Ltd. Present: Advisor in Technology, Euro Asia Business Consultant Co., Ltd. Present: Committee, National Science and Technology Development Agency Present: Audit Committee, Ministry of Science and Technology Present: Audit Committee Chairman, King Mongkut's university of Technology Thonburi	
Director / Executive Director in other listed companies	None	
Director / Executive Director in other non-listed companies	None	
Shareholding Ratio	None	
Relation in family within the Company	None	

Name Mr. Arnant Maiphum

Position in the Company Independent Director, Member of Audit Committee, Chairman of Nomination and Remuneration Committee, Member of Risk Management Committee



Age 74 years old

Appointment date to director 10 May 2018

Education Master Degree in Housing Development, Chulalongkorn University.
Master Degree in Business Administration (MBA), Kasetsart University.
Bachelor Degree in Financial Economic, University of the Thai Chamber of Commerce

Experiences

2018 – Present: Independent Director, Audit Committee, Chairman of Nomination and Remuneration Committee and Member of Risk Management Committee; Abico Holdings Public Co. Ltd.

2011 – 2012: Lecturer of Executive MBA, Khon Kaen University and Ramkhamhaeng University.

2003 – 2008: Director, Mentoring and Director System Project Early – Stage SME, OSMEP, Ministry of Industry

2000 – 2003: President, Financial Advisory for SMEs and Public, Ministry of Finance.

1999 – 2000: Fund Manager, Student loan Fund. Ministry of Finance

1996 – 1999: Managing Director, Credit Fancier LPN Co., Ltd.

2003 – 2008: Credit Director , UOB Bank.

Director / Executive Director in other listed companies None

Director / Executive Director in other non-listed companies None

Shareholding Ratio None

Relation in family within the Company None

Name Mr. Karn Punyacharoensin
Position in the Company Independent Director, Member of Audit Committee, Member of Risk Management Committee, Chairman of Nomination and Remuneration Committee

Age 40 years old
Appointment date to director 22 April 2021



Education Master Degree in Business Administration, Boston College, Carroll School of Management (Magna Cum Laude)
 Bachelor Degree in Industrial Engineering (First Class Honor), Thammasat University

Training for Director's Roles Directors Accreditation Program Class DAP 153/2018, Thai Institute of Directors (IOD)

Experiences

2021 – Present : Independent Director, Member of Audit Committee, Member of Risk Management Committee, Chairman of Nomination and Remuneration Committee;
 Abico Holdings Public Co. Ltd.

2018 – Present : Director; Beryl 8 Plus Public Co.,Ltd.
 2018 – Present : Director; Optimum Technology Co., Ltd.
 2015 – Present : Managing Director;
 Science Engineering International Co., Ltd.

Director / Executive Director in other listed companies Director : Beryl 8 Plus Public Co.,Ltd.

Director / Executive Director in other non-listed companies 2 business as follows:
 Director - Optimum Technology Co., Ltd.
 Managing Director - Science Engineering International Co., Ltd.

Shareholding Ratio None

Relation in family within the Company None

7.2.1 Composition of the Board of Directors

The Board of Directors must consists of the following components:

1. The Board of Directors consists of not less than 5 members, and not less than half of the total number of directors reside in Thailand and have qualifications as prescribed by law.
2. The Board structure must consist of independent directors at least one third of all directors, but must not be less than 3 persons. The independent directors must have all the qualifications in accordance with the qualifications of independent directors as specified in the Notification of Capital Market Supervisory Board TorChor. 39/2559 on Application for and Approval of Offer for Sale of Newly Issued Shares (“Notification TorChor. 39/2559”)
3. The Board of Directors consists of not less than 3 members of the Audit Committee and must have all the qualifications as announced in TorChor. 39/2559, as well as have the scope of duties and responsibilities as announced by the Stock Exchange of Thailand (“SET”).
4. The Board of Directors will elect one director to be the Chairman of the Board of Directors. In the event that the Board of Directors deems appropriate, one or more directors may be elected to be the Vice Chairman of the Board of Directors.
5. The Company’s directors do not have to be shareholders of the company.

7.2.2 Information on the Board of Directors and Controlling Persons of the Company

The list of the Board of Directors as of December 31, 2021, is as follows:

Name	Position
1. Mrs. Chintana Boonyarat	Chairman of the Board of Directors
2. Mr. Kitti Vilaiavrangkul	Managing director / Director / Member of Nomination and Remuneration Committee
3. Mr. Chaichat Boonyarat	Vice Chairman
4. Mr. Khemadhat Sukonhasingha	Independent director / Chairman of Audit committee / Member of Nomination and Remuneration Committee / Member of Risk Management Committee
5. Mr. Arnant Maiphum	Independent director / Member of Audit committee / Member of Nomination and Remuneration Committee / Chairman of Risk Management Committee
6. Mr. Karn Punyacharoensin**	Independent director / Member of Audit committee / Chairman of Nomination and Remuneration Committee / Member of Risk Management Committee

** Mr. Karn Punyacharoensin was appointed as a director on April 22, 2021.

The directors authorized to put their signature on behalf of the company consist of:

- | | |
|----------------------------|----------------------|
| 1. Mrs.Chintana Boonyarat | Chairman of Director |
| 2. Mr.Kitti Vilaivarangkul | Managing director |
| 3. Mr.Chaichat Boonyarat | Director |

Two out of these three directors are required to put their signature together and affixed with the seal of the Company.

Terms of the Board of Directors

At the Annual General Meeting of Shareholders, one-third (1/3) of all directors shall resign by rotation. In case the number of resigned directors cannot be proceeded, the similar amount to one third of the directors to resign during the first year. The resigning directors may be re-elected.

A vacancy in the Board of Directors by reasons other than term completion will be filled at the next Board meeting by a qualified person selected by the Board who must not also be subjected to any restriction by Public Company law unless the remaining term of that director is less than two (2) months. The replacing director will remain in his/her post only for the remaining term of the directors/he replaces. The resolution of the designation shall receive votes of not less than three-fourths (3/4) of the remaining directors.

Selection Process of New Directors

The Board of Directors has appointed the Nomination and Remuneration Committee to select new director(s) by considering qualifications, experience, suitability and the ability to work as a director. The nomination of new director must be in accordance with the Public Company Act.

7.2.3 Scope of duties of Directors

1. Roles, Duties, and Responsibilities of the Board of Directors: The Board of Directors is responsible to perform accordingly to the Company's objectives, Articles of Association and resolution of the meeting and shareholders with integrity and honestly, prudence and aim to safeguard the interest of shareholders and stakeholders in long and short term to ensure that the Company's operation are driven into the direction that will generate maximum benefit to shareholders and stakeholders. The Board shall supervise to have vision, mission, strategy, target, policy and annual budget in which the Board will jointly review and express opinion every year to create understand on overall business image prior to approval and monitor to ensure the management will be consistent to the plan by adhering to the guideline of the Stock Exchange of Thailand and the Securities and Exchange Commission.
 - 1.1 Review and provide guidelines for the Company's strategy, important operating plans, risk policy, annual budget, and business plan. Set performance goals, observe the implementation, and supervise any important investment expenditures which includes joint ventures and business sales.
 - 1.2 Select, set remuneration, assess the performance of executives on a regular basis (or remove if necessary), and review the succession plan to ensure continuity.

- 1.3 Review the remuneration of directors and executives. Ensure that the Board of Directors has a formal and transparent process for nominating directors.
- 1.4 Ensure that the accounting system, financial reporting and auditing are reliable. This includes supervising the process to have a sufficient internal control assessment, risk management, financial control, and legal compliance.
- 1.5 Monitor and manage conflicts of interest of the Management Team, the Board of Directors and shareholders. This includes misusing Company assets and inappropriate actions with connected transactions.
- 1.6 Propose the appointment of suitable persons to be directors. Ensure that the structure and practices of the existing Board of Directors paved the way for appropriate corporate governance and ethical practices.
- 1.7 Directors are able to exercise discretion directly in the Company's business independently from the Management team and any other benefit groups. The directors must devote sufficient time and pay attention to the performance of duties according to their responsibilities.
- 1.8 Monitor and ensure that the Company's strategy is implemented in order to achieve the performance according to plan well.

2. Meeting of the Board of Directors.

Meeting of the Board of Directors is an essential duty where the directors must attend regularly to acknowledge and make decision on the Company's business operation. Annually, the Meeting of the Board of Directors shall be held at least 4 times. The meeting agenda is set in advance and special meeting may be held in case of urgent matter. At least 2 out of 3 of total directors shall constitute a quorum. The senior executives may attend the meeting in order to provide information that could be useful and to acknowledge the the policy. It is the Company's policy that non-executive directors and the person that is not a member of Executive Committee attend the meeting together at least once a year to discuss about the topic of interest without attendance of Management. All Executive Committee are allowed to propose the matters to add as an agenda in the Board of Directors' meeting and to express their opinion independently. Then the Company Secretary will bring the proposed matters into meeting agenda and prepare invitation letter to the meeting accordingly. A majority vote in the meeting determines a resolution with each member of the Board having one vote. Board Members that may have conflicts of interest on a particular issue must leave the room during discussion and does not have the right to vote on the particular issue. After the meeting, the Company Secretary shall prepare the minutes of the meeting and send to Chairman of the Board to certify the accuracy and submit to the meeting for certification in the next meeting.

In the resolution of the Meeting of the Board of Directors, a majority vote in the minimum quorum at the time that the Board of Directors resolve a resolution in the meeting must be no less than 2 of the 3 directors. Each director has one vote. Directors with vested interests will not attend the Meeting or they shall waive their voting rights on the matter at the end of the Meeting. The Company Secretary has the responsibility to prepare the meeting minutes and submit them to the Chairman of the Board to consider and affix with a signature in order to be proposed to the Meeting for approval in the first agenda item of the next meeting. In this regard, the

directors are able to express their opinions and request amendments to the meeting minutes so that they are as accurate as possible. The meeting minutes approved by the Meeting will be stored systematically as confidential documents and stored as electronic documents in order to conveniently search for references.

3. Meetings of the Non-Executive Directors

In addition, the Company has a policy for non-executive directors and non-executive committees to have a joint meeting at least once a year for the purpose of providing non-executive directors and nonexecutive committees the opportunity to hold meetings among themselves in order to discuss various issues of interest to the Company's business without executive management or the Management team joining. For example, management strategy, sustainable growth guidelines as well as risk management regarding disruptive business trends. In 2020, non-executive directors held 2 meetings.

The first meeting was held on February 25, 2021

The second meeting was held on November 11, 2021

4. Orientation of new directors.

In regards to duty perform their duties, the directors shall acknowledge Company's nature of business. For this reason, the Company conducted an orientation session for a new director so that he learned about the Company and business overview, got access to corporate information which is useful and crucial to responsibilities including guideline to the good corporate governance. The Company Secretary shall coordinate to have to orientation session.

5. Policy on limitation of the number of listed company and number of terms of office of Directors.

A Director is advised not to become director in more than five other listed companies without any exception. Currently, the Company's Directors hold directorship in less than 5 listed companies. The Company also has a policy prohibiting the MD to be hold director position in other companies which conduct the same or similar business to the Company's except associates and/or subsidiaries and/or affiliated company to ensure that the person will not cause conflict of interest.

Currently, the position of executive director holding positions in other listed companies does not exceed 5 companies. No director holds directorship in other listed companies more than 5 companies.

6. Succession Plan

The Company realizes the necessity and importance of the succession plan and hence has prepared the succession plan for major executive positions by selecting the candidates, providing ongoing training its human resource to meet position requirements, to ensure that the Company will have a person with knowledge and suitable skill for the succession in the future.

Definition of Independent Directors

Definition of Independent Directors of the Company is equal to the requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

- 1) Holding not more than 1 percent of the total number of shares with the voting rights of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company. In this case, for the purpose of calculation, the number of shares held by the related person of each member of the Audit Committee shall also be included.
- 2) Neither being a director who takes part or used to take part in management, nor being or used to be an employee, staff, an advisor who receives regular salary, nor the controlling person of the Company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the Company, unless such director has resigned from such position for at least two years.
- 3) Not being a blood-related person nor legally related as father, mother, spouse, brother, sister and children, including being the spouse of the children of the executives, major shareholders, controlling persons or the persons who will be nominated as the executive or controlling person of the Company or subsidiaries.
- 4) Neither having, nor used to have any business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may obstruct the exercise of independent judgment as a member of the Audit Committee. Moreover, a member of the Audit Committee must neither being, nor used to be a key shareholder or controlling person of the entities having business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, unless such director has resigned from such position for at least two years.
- 5) Neither being, nor used to be the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, controlling persons of the Company, nor being a key shareholder, controlling person or partner of the audit office having the auditor providing auditing service to the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, as a member, unless such director has resigned from such position for at least two years.
- 6) Neither being, nor used to be a provider of any professional services including the legal advisory or financial advisory services that received fees in the amount of more than Baht Two million per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, nor being shareholder, the controlling person, or partner of such professional services provider, unless such director has resigned from such position for at least two years.
- 7) Not being a director who has been appointed as a representative of the Company, major shareholders or shareholders relating to major shareholders.

- 8) Neither operating the business having the same nature which significantly competes with the business of Company or its subsidiaries, nor being a significant partner or a director who involves in the management, nor being an employee, staff, a member, and a consultant who receives regular salary, or holds more than 1 percent of the total number of shares with the voting rights of a company that operates the business having the same nature and significantly competes with the businesses of the Company or its subsidiaries.
- 9) Having no other conditions that may obstruct the independent expression of comment on the Company's operation.

Duties of Chairman of the Board of Directors

- 1 The Chairman shall be responsible as the leader of the Board of Directors in monitoring and supervising the administration of the Executive Committee and other sub-committees in order to achieve the objectives as planned.
- 2 The Chairman shall hold a meeting of the Board of Directors and shareholders' meeting, as well as having a role in defining regulations and agendas with the Managing Director.
- 3 The Chairman shall be a chairman at the Board of Directors' meeting. In the case of equal votes for two parties, the Chairman of the Board of Directors shall have an additional vote as a deciding vote.
- 4 The Chairman shall be a chairman at the shareholders' meeting and play a role in controlling the meeting to be effective and in accordance with the Company's regulations. Support and provide opportunities for shareholders to freely express their opinions.
- 5 The Chairman shall have a role to supervise the implementation of policies and strategic operational guidelines of the management, as well as providing advice and supporting the business operations of the management but does not participate in the routine management of the Company.

7.3 committees-Information on Sub

Audit Committee

The Audit Committee is comprised of 3 Independent Directors of the Company. The committee members have the required knowledge and experience. The audit committee is responsible for review financial statement is accurate and adequate and the suitability and effectiveness of the internal control and internal audit are as follows:

- | | | |
|----|-----------------------------|---------------------------------|
| 1. | Mr. Khemadhat Sukonhasingha | Chairman of the Audit Committee |
| 2. | Mr. Arnant Maiphum | Member of the Audit Committee |
| 3. | Mr. Karn Punyacharoensin | Member of the Audit Committee |

Audit Committee who has accounting knowledge is Mr.Khemadhat Sukonhasingha.

Scope of Duties of the Audit Committee

- Review quarterly financial statement and annual financial statement together with the Company's auditor and related executives, as to propose to the Board; Oversee Company's financial report to ensure the accountability, adequacy and reliability.
- Review the Company's compliance with the law on securities and exchange, the regulations of The Stock Exchange of Thailand.
- Consider to disclose the information or the connected transaction or transaction that may have conflict of interest.
- Oversee to ensure that the Company's internal control is adequate and efficient.
- Select/appoint/remove /propose remuneration for auditor.
- Review the adequacy of internal control system and monitor the significant risk management regularly.
- Consider the independence of internal audit unit, approve the appointment/transfer/dismissal of the head of internal audit unit.

The Nomination and Remuneration Committee

Currently, the Company has the Nomination and Remuneration Committee 4 persons are as follows:

- | | | |
|----|-----------------------------|---|
| 1. | Mr. Karn Punyacharoensin | Chairman of the Nomination and Remuneration Committee |
| 2. | Mr. Khemadhat Sukonhasingha | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Arnant Maiphum | Member of the Nomination and Remuneration Committee |
| 4. | Mr. Kitti Vilaivarangkul | Member of the Nomination and Remuneration Committee |

Chairman of the Nomination and Remuneration Committee is an independent director of the Company and most of the members of the Nomination Remuneration Committee consists of independent directors (three out four or 75%), which is based on the principles of good governance and ASEAN CG.

Scope of Duties of the Nomination and Remuneration Committee.

- Select and screen the qualified person to undertake director position, to the Board of Directors to propose to.
- Consider, select and screen the qualified person to undertake managing director position and propose to the Board of Directors for approval.
- Suggestion criteria for determining remuneration for managerial executive of the Company.
- Consider the Directors' remuneration and propose to the Board for approval in the shareholder's meeting.
- Initial issuance of warrants for directors and employees and propose to the Board of Directors and shareholders and the SEC for approval.
- Review the approved warrants of directors and employees to ensure the compliance to project objective.

Nomination of Directors

Selection of the Company's directors must be approved by the shareholders' meeting. The candidates must be qualified and does not have the prohibited characteristics as stipulated by law. The Board of Directors shall contains at least five (5) persons being selected under criteria and methods as follows:

- 1) One share represents one vote.
- 2) The voting for director may be cast for individual or for several directors as considered by the meeting of shareholders. Election may be of individuals or of groups, as the shareholders' meeting deems appropriate. A shareholder may not divide his/her votes among several individuals or groups.
- 3) Person(s) receiving the maximum number of votes in the respective order will be appointed as director(s) for the number of directors to be selected or appointed on that occasion. Where persons selected in the next sequence receive equal votes which exceed the number of director(s) to be selected or appointed on that occasion, the decisive vote shall be cast by the chairman of that meeting. At the Annual General Meeting of Shareholders, one-third (1/3) of all directors shall resign by rotation.

In case the number of resigned directors cannot be proceeded, the similar amount to one third of the directors to resign during the first year. The resigning directors may be re-elected. A vacancy in the Board of Directors by reasons other than term completion will be filled at the next Board meeting by a qualified person selected by the Board who must not also be subjected to any restriction by Public Company law unless the remaining term of that director is less than two (2) months. The replacing director will remain in his/her post only for the remaining term of the directors/he replaces. The resolution of the designation shall receive votes of not less than three-fourths (3/4) of the remaining directors.

Selection Process of New Directors

The Nomination and Remuneration Committee to select new director(s) by considering qualifications, experience, suitability and the ability to work as a director. The nomination of new director must be in accordance with the Public Company Act.

Risk Management Committee

Currently, the Company has the Risk Management Committee 3 persons are as follows:

- | | | |
|----|-----------------------------|---|
| 1. | Mr. Arnant Maiphum | Chairman of the Risk Management Committee |
| 2. | Mr. Khemadhat Sukonhasingha | Member of the Risk Management Committee |
| 3. | Mr. Karn Punyacharoensin | Member of the Risk Management Committee |

Scope of Duties and Responsibilities of the Risk Management Committee

- Assist the Board of Directors in management by formulating strategy and measures of risk management.
- Review risks relating to the Company's business, set out the acceptable risk and effective risk control.
- Coordinate with the Management in reviewing strategy, format and work procedures that will mitigate the significant risks of the Company.
- Review the Management's report of the proceeded work to supervise and control risks of the company.
- Perform any duties as assigned by the Board of Directors and by approval of Risk Management Committee.

7.4 Executives Profiles

7.4.1 As of December 31, 2021, the Company has 9 executives as follows:

Mr. Kitti Vilaivarangkul	Managing Director
Mr. Wissanu Pitisang	Factory Manager
Miss Pornprapa Luxsameesathaporn	AVP Contract Manufacturing & Planning
Mr. Thanit Joomja	Engineering Manager
Mrs. Sarapee Hansoongnern	QA Manager
Miss Kanokporn Pomsathit	Purchase Manager
Mrs. Kasara Rungsang	Accounting Management Manager
Miss Darunee Techapomrakul	General Accounting Manager
Mr. Chae Thiraworakul	Finacial Manager

7.4.2 Remuneration Policy for Directors and Executives

The Company has a policy to determine the remuneration for the executives according to the performance of duties each year. The criteria to measure the performance evaluation are the ability to achieve the goals of the Company, cost control ability, waste control ability, profitability depending on the indicators for each year. Remuneration is paid in the form of salaries, bonuses, social security, contributions to the provident fund, and life insurance premiums. There is no meeting allowance because it is considered part of the duties of the Directors.

(Unit: Thousand Baht)	2021	2020
Remuneration for executives	21,675	20,006

7.5 Employees Profiles

In 2021, the Company paid remuneration to employees such as salary, overtime pay, bonus, allowance for living expenses. and social security contributions provident fund, etc. Number of employees as of December 31, 2021, which are divided into 2 parts, are as follows:

Company/Business Group	Number of Employees (Persons)
Abico Holdings Public Company Limited	-
Abico Dairy Farm Co., Ltd.	363
Abico Land Co., Ltd.	9
PPO Farm Co., Ltd.	24
รวม	396

Number of employees in the main line of business as of December 31, 2021:

Line of Business	Number of Employees (Persons)
Manufacturing	344
Supporting	19
Total	363

Remuneration for Personnel

The Board of Directors has established policies and guidelines regarding remuneration and welfare for the Company's personnel, taking into account the operating results and the performance measurement according to KPI in each position that is set for the total employee return for the year 2021 are as follows:

Total Remuneration of Employees	Amount (Baht)
Abico Holdings Public Company Limited	-
Abico Dairy Farm Co., Ltd.	154,019,866.29
Abico Land Co., Ltd.	6,596,244.74
PPO Farm Co., Ltd.	9,843,234.81

Other Remuneration: None

The Company has prepared and announced the rules, regulations, and articles of association of the Company for all employees in the company to be aware of.

7.5 Other Significant Information

Person Assigned to the Direct Responsibility of Supervising Accounting Preparation

The person who is directly responsible for the accounting supervision of the Company is the person holding the position of Accounting and Finance Manager. As of December 31, 2021, Mr. Chalee Thiraworakul is the Accounting Supervisor who has qualifications and conditions of being an accountant in accordance with the criteria prescribed in the announcement of the Department of Business Development. Further details of history are shown in Attachment 1.

Company Secretary

At the Board of Directors' meeting no.2/2015 on May 11, 2015, the Board reached a resolution to appoint Mr. Chalee Thiraworakul as the Company Secretary. The Securities and Exchange Act. Vol. 4 B.E. 2551 Section 89/15 stipulated that the Board of Directors shall appoint a qualified and experienced person to serve as the Secretary who is responsible for Company's operation on behalf of the Company or the Board of Directors. The Company has appointed a person with appropriate qualifications and experience to serve as the Company Secretary by determining qualifications and responsibilities as follows:

Education and Qualifications

- Hold a bachelor's degree at minimum
- Have knowledge in laws relating to the Company and SEC
- Have excellent communication and human relations skills
- Have knowledge about corporate governance

Scope of Duties

- 1) Be a consultant and secretary of the Board of Directors and sub-committees
- 2) Liaise between the Board of Directors, executives, shareholders and regulating authorities
- 3) Keep and maintain the following documents:
 - Directors' register
 - Notice to the Board of Directors' meeting, minutes of the Board of Directors' meeting, and annual report of the Company
 - Invitation letter to the shareholders' meeting and minutes of the shareholders' meeting
- 4) Keep the report of stakeholders as provided by directors of executives
- 5) Conduct any other tasks as notified by the Capital Markets Advisory Committee
- 6) Supervise the disclosure of information and report to ensure the compliance to applicable law and regulations and the good corporate governance

Head of Internal Audit

In 2021, the Company has hired an internal auditor from an external agency, namely P.J. Accounting and Audit Company Limited, with Mr. Jitdanai Kanabutr as the Company's internal auditor. Further details are shown in Attachment 3.

Investor Relations and Contact Information

Currently, the person assigned to be responsible for the Company's investor relations is Mr. Chalee Thiraworakul, Account Manager and Company Secretary. He is responsible for the investor relations work of the Company. Investors or the general public can contact Investor Relations Manager via Email: ir_abico@abicogroup.com or the Company's website www.abicogroup.com.

Auditors' Remuneration

Remuneration of Auditor 2021 compared to the 2020 is detailed below:

Accounting Year	2021	2020
1. Audit Fee	1,700,000.00	1,810,000.00
2. Other Fee	None	None

Note : Excluding other compensations such as vehicles, transportation, accommodation, etc. The Company's auditor is an dependent person having no relation or conflict of interest with the Company

8. Corporate Governance Structure and Important Information on the Board of Directors, sub-committees, executives, employees, etc.

8.1 Summary of the Performance of the Board of Directors in the Past Year

In 2021, the Board of Directors considered and reviewed the vision, mission, values, strategies, policies, goals, organizational structure. and the direction of the Company's operations to be appropriate and consistent with business operations under various circumstances that affect the Company both externally and internally, so that the executives and employees have the aim of operating to achieve the goals of the Company that have been set. This includes monitoring to ensure that the Company's strategy is implemented in accordance with the related policies, rules, laws and regulations, as well as monitoring the sufficiency of the internal control system and the organization's risk management to a low level under the legal framework, objective, and opinions that are beneficial to the development of the organization in the board meeting and shareholder meeting with honesty, caution, and taking into account the best interests of the Company. Responsibility to shareholders and all groups of stakeholders is included.

8.1.1 Nomination, Development, and Evaluation of Performance of the Board of Directors

In Nomination of directors and senior executives of the Company, the Board of Directors has assigned the Nomination and Remuneration Committee to recruit and consider the selection of qualified persons under the law on securities and stock exchange and in accordance with the qualifications specified by the Company. The Nomination and Remuneration Committee then proposes to the Board of Directors to consider appointing or propose for approval in the shareholders' meeting in accordance with the Company's Articles of Association. In the recruitment of qualified persons, it will be considered by giving the shareholders an opportunity to nominate a person to be considered for election as the Company's director in advance of the annual general meeting of shareholders according to the time that the company announces the right to nominate, along with informing the criteria and

nomination conditions on the Company's website or giving each committee an opportunity to nominate a person who is considered to be a qualified person. or a person who has been recommended from external independent consultants. The details of the criteria for nomination are as follows:

Independent Directors

Criteria for the Selection of Independent Directors

- 1) The person must have the qualifications of directors, as defined.
- 2) A director who can independently express opinion based on their own discretion, with morality adhering to organizational interest, but not the specific interest of major shareholders or minor shareholders or himself
- 3) Is qualified as stated by the Stock Exchange of Thailand and adhering to the good practices as follows:
 - Hold not more than 1% of the voting shares of the Company, its subsidiaries, associates or the person that may have conflict of interest (include the relating person as per Section 258 of the Stock Exchange law).
 - Never or not holding position of director with duty involving management, employee, staff, advisor who receives monthly salary or controlling party of the Company, subsidiary company, associate company, joint venture or the person that may have conflict of interest and not having the benefit or interest for at least 2 years.
 - Not having business relation, benefit or interest, directly or indirectly in terms of finance or management of the Company's subsidiary, affiliate company or the person that may have conflict of interest that may impede the independence.
 - Not being a close relative with executives, major shareholders of the Company, subsidiary, affiliated companies or the person that may have conflict and is not appointed as a representative to safeguard the interest of directors and major shareholders.
 - Not disclose any relationship that may stop the independence to the Board of Directors

During the past accounting period, the Company's independent directors meet the criteria set out above. No one has a business relationship or professional service that exceeds the established criteria. Duties and opinions are carried out independent.

(1) Nomination of Directors and Senior Executives

The Nomination and Remuneration Committee shall review of skills and characteristics of directors including the overall composition of the Board of Directors in accordance with the strategy and the direction of the Company's business operations, and determine the criteria for nominating the required Company's Directors annually in such review. In considering the remuneration, Diversity is considered both in terms of skills, experience, knowledge, expertise independence, and other specialized skills without limitation on the age and gender of the Directors.

Qualifications of Directors

1. There are no restrictions based on gender
2. A person who does not have a tainted history and does not have any prohibited characteristics under the law and good corporate governance principles
3. A person with vision and is able to look at the overall picture that is aligned with the Company's business strategy
4. A person who relates well to others, is moral and has a suitable personality
5. A person who has business ideas and systematic decisions
6. A person who has knowledge and understanding in finance, commerce, or industry and has experience in business administration management

Criteria for Selection of Directors

1. Must be a person who possesses the qualifications as aforesaid
2. The Board must have various skills which is beneficial to determining direction and control the Company's operation

8.1.2 Meeting Attendance and Payment of Remuneration for Individual Directors Meeting of the Board of Directors

Each year, the Management prepares schedule of the Board of Director's meeting and sub-committee in advance and sends to the Board of Directors and sub-committees. The meeting agenda is sent to the board 7 day prior to the meeting date so that board members may have sufficient time to study all pertinent information. In 2021, the Company held a Board of Directors meeting. and sub-committees as follows:

List of Directors and Attendance of the Board of Directors' meeting for the Year 2021

Name	Board of Directors' Meeting	Audit Committee Meeting	Risk Management Committee Meeting	Nomination and Remuneration Committee	Annual General Meeting of Shareholders
1. Mrs. Chintana Boonyarat	4/4	-	-	-	1/1
2. Mr. Kitti Vilaiavrangkul	4/4k	-	-	1/1	1/1
3. Mr. Chaichat Boonyarat	4/4	-	-	-	1/1
4. Mr.Khemadhat Sukonhasingha	4/4	4/4	2/2	1/1	1/1
5. Mr. Arnant Maiphum	4/4	4/4	2/2	1/1	1/1
6. Mr. Techa Boonyachai ¹	1/4	1/4	1/2	1/1	1/1
7. Mr. Karn Punyacharoensin ²	3/4	2/4	1/2	-	1/1

Note : 1) Mr. Techa Boonyachai ended his term of directorship on April 22, 2021.

2) Mr. Karn Punyacharoensin took a position as an independent director on April 22, 2021 and appointed as an audit committee member on May 10, 2021.

In 2021, all directors participated in the meetings in full quorum, accounted for 100 percent of all the meetings taken place in 2021.

Remuneration for Directors and Executives

Name	Board of Directors' Meeting	Audit Committee Meeting	Risk Management Committee Meeting	Nomination and Remuneration Committee
1. Mrs. Chintana Boonyarat	160,000	-	-	-
2. Mr. Kitti Vilaiavrangkul	80,000	-	-	10,000
3. Mr. Chaichat Boonyarat	80,000	-	-	-
4. Mr.Khemadhat Sukonhasingha	80,000	260,000	20,000	10,000
5. Mr. Arnant Maiphum	20,000	82,500	20,000	10,000
6. Mr. Techa Boonyachai	80,000	180,000	20,000	20,000
7. Mr. Karn Punyacharoensin	60,000	65,000	10,000	-
Total	560,000	587,500	70,000	50,000

8.1.3 Supervision of Subsidiary Companies and Associated Companies

Nomination and right exercising appointing persons to be directors in subsidiary companies and associated companies is performed by management. The Company specifies regulation of such nomination and right exercising must obtain approval from the Company's Board of Directors as well. Persons appointed to be directors in subsidiary companies and associated companies have duty to perform for maximum profits of those subsidiary companies and associated companies (not of the Company). And the Company stipulates that the appointed persons must obtain approval from the Company's Board of Directors before they can cast vote or exercise right of important issues which are the same levels as those having to obtain approval from the Company's Board of Directors, if the issues are carried out by the Company. Appointment of directors to be representatives of such subsidiary companies and associated companies is in accordance with shareholding ratio of the Company in those subsidiary companies and associated companies.

Moreover, in case of subsidiary company, the Company stipulates regulation the persons who are appointed by those subsidiary companies must monitor and ensure that those subsidiary companies must correctly have regulation regarding connected transaction, acquiring or selling assets, or making any other important items of the subsidiary companies, and adopt the same regulation in connection with information disclosure and making such items as the Company's regulation. The directors must also supervise the subsidiary companies ensuring that they have data and information collection and account recording accountable for being able to be verified by the Company. And the subsidiary companies must punctually provide financial statements.

8.1.4 Monitoring on Policy and Guidelines Compliance According to Corporate Governance

In 2021, the Company communicated to directors, executives and employees at all levels of the organization so that they are informed about good corporate governance and various policies of the Company has been complied with regularly. According to the assessment in 2021, there were no issues or events that did not comply with the above policy.

Supervision of Inside Information

The Company allows its Directors and Executives submitting reports of securities trading to prevent exploiting the Company's information in a manner of inside information so as to prevent adopting inside information practice of securities trading for his own benefit. They are also notified about personal responsibility as well as punishment clause. In this regard, the Company has established measures to prevent the misuse of inside information (Insider Trading) of related persons, which means that the board senior management and employees in the departments related to the Company's information (including spouse and minor children of such person) are prohibited persons involved from trading in the Company's securities within 1 month prior to the disclosure of the quarterly financial statements and annual financial statements. The Company's directors and the Company's management have reported the change of securities holding to the Board of Directors' meeting for acknowledgment.

Anti-Fraud and Corruption

The Board of Directors has determined the anti-corruption policy as follows:

- 1) The management structure is properly balanced between purchasing, accounting, finance and internal audit department to prevent abuse of power or other illegal activity.
- 2) Provide training to employees about the policy and practice of anti-corruption of the Company.
- 3) Support and coordinate with public and private authorities and controlling agency including all parts of Thai societies with intention to reduce the corruption and improve the development of the country.
- 4) Directors, executives and employees are not allowed to accept any kinds of corruption, directly or indirectly such as receiving gifts, giving gifts, presents, banquet, donation and any interest to themselves from the person who making business with the Company. The Company provides channel to stakeholders for direct message passing, suggestions and/or complaints regarding the corruption or any action that is not in compliance to the Company's criteria to the Board of Directors to the following address.

Company Secretary
ABICO HOLDINGS PUBLIC COMPANY LIMITED
401/1, Moo 8, Abico Building, Pahon Yothin road, Ku Kot,
Lam Luk Ka, Pathum Thani 12130

The clues or complaints will be considered and acted as appropriate, and will be considered on a case-by-case basis without disclosing the name of the whistleblower. The data of Complaints are kept confidential and there are measures to protect whistleblowers so that whistleblowers are not affected.

In 2021, the Company does not have any issues or situations that do not comply with the above policy.

8.2 Report on the performance of the Audit Committee

The Audit Committee, appointed by the Board of Directors, consists of 3 independent directors who are qualified, knowledgeable and competent. They are able to manage in various fields that are beneficial to the Company and have all the qualifications according to the guidelines and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Mrs. Kasara Rungsang holds the position of the secretary of the Audit Committee. In 2021, the Audit Committee convened 4 meetings, which their key details on operations could be summarized as follows:

- 1) Consider quarterly financial statements and annual financial statements which has been reviewed and audited by the Company's auditor before presenting to the Board of Directors to ensure that the financial statements are accurate and complete in accordance with accounting standards and financial reporting standards of Thailand
- 2) Review the suitability of the Company's internal control system as well as suggest that there is an internal control system and supervision of proper use of the Company's assets
- 3) Review the Company's internal audit plan and performance as well as give recommendations to the Internal Audit Department and/or an internal control specialist (Outsource)
- 4) Consider nominating independent persons to act as auditors and consider proposing the auditor's remuneration to the Board of Directors, as well as attend the meetings with the Company's auditors
- 5) Consider giving opinions on compliance with laws on securities and stock exchange, SET regulations. or laws related to the Company's business

8.3 Summary of the Performance of Other Sub-committees

Risk Management Committee

In 2021, the Risk Management Committee consists of 3 committees, convened 2 meetings, and performed complete duties within the specified scope as assigned by the Board of Directors. All directors attended both meetings and the key points can be summarized as follows:

- 1) Determine the appropriate risk management policy for the organization based on the Company's business plan under changing circumstances
- 2) Consider the Company's risk management plan that covers issues such as strategic risks, operational risk, and regulatory risks regulations
- 3) Monitor and assess risks at the organizational level which has classified the risk into 3 levels, namely high, medium, and low, and then determine the risk management method at an acceptable level
- 4) Advise to the risk management working group in the organization and closely monitor the performance of duties to encourage the development of more effective risk management.
- 5) Report the risk management results to the Audit Committee and present to the Board of Directors

Nomination and Remuneration Committee

In 2021, the Nomination and Remuneration Committee consists of 4 directors, convened 1 meeting, and complied with the complete and specified scope as assigned by the Board of Directors. All attendees attended the meeting 1 time, which can be summarized as follows:

- 1) Nominate directors when it is time to nominate directors to the Board of Directors for consideration. The nomination is based on considering the incumbent directors to maintain their positions with regards to the qualifications of the directors to be consistent with the specified qualifications criteria and according to the law and the requirements of the relevant agencies before proposing to the Board of Directors. Also, shareholders are allowed to jointly nominate a person to be considered for election as a Company director to promote good corporate governance.
- 2) Consider nomination of high-ranking executives as assigned by the Board of Directors
- 3) Consider and review the appropriate criteria for payment of remuneration of directors and senior management by reviewing the appropriateness of the criteria currently in use and compare it with the payout data of other companies in the same industry.

- 4) Determine the annual remuneration of directors according to the criteria for payment that has been considered and present it to the Board of Directors for further approval.

9. Internal Control and Related Transactions

9.1 Internal control

The Board of Directors has appointed the Audit Committee which comprises of 3 independent directors who are fully qualified in accordance with the requirements and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand. It serves to review the financial statements and ensure that they are correct and reliable. Transactions that may cause conflicts of interest must be reasonable and beneficial to the Company's business operations. This includes supervising the adequacy of the Company's corporate governance risk management system according to the law on securities and the stock exchange, and the laws related to the business of the Company. There is an internal audit department to assess whether the internal control system is appropriate, sufficient and effective and efficient. This is based on the COSO's internal control framework to ensure that the department complies with the established internal control system.

As for the operation of the internal control system, the Company has an Audit Committee to review the internal control system and the Company's operating system by coordinating with the auditor, internal auditors, and the Company's executives regarding the review of the report to ensure adequate and reliable disclosure.

The Audit Committee has assessed the Company's internal control system in all 5 areas according to the internal control framework under the COSO guidelines, namely:

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

The Company has run the organization in accordance with the business plan. This includes a segregation of work duties and a balance of power according to the principles of good internal control for the management. The aim is to make the performance of employees efficient and can be clearly monitored, inspected, and evaluated.

9.2 Related Party Transactions

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market values or, where no market value exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

Company	Relationship
Abico Land Co., Ltd.	Subsidiary
Abico Dairy Farm Co., Ltd	Subsidiary
PPO Farm Co., Ltd.	Subsidiary
Malee Group Plc.	Associate
Malee Enterprise Co., Ltd.	Indirect shareholding
Malee Capital Co., Ltd.	Indirect shareholding
Icon Foods LLC	Indirect shareholding
Malee International Co., Ltd.	Indirect shareholding
Malee Apply Science Co., Ltd.	Indirect shareholding
Mega Malee Co., Ltd.	Indirect shareholding
MONDE MALEE BEVERAGE CORPORATION (Registered in Philippine)	Indirect shareholding
PT KINO MALEE INDONESIA (Registered in Indonesia))	Indirect shareholding
Malee Kino (Thailand) Co., Ltd.	Indirect shareholding
Long Quan Safe Food JSC (Joint ventures)	Indirect shareholding
Tan Quang Minh Manufacture and Trading (Registered in Vietnam)	Indirect shareholding

	Consolidated		Separate Financial		(Unit: Baht Million)
	Financial		Statements		Pricing Policy
	2021	2020	2021	2020	
<u>Transaction with Subsidiaries</u>					
Abico Dairy Farm Co., Ltd					
Trade and other receivables	-	-	15	8	-
Intercompany Loans	-	-	15	1	-
Income from guarantee	-	-	7	8	Mutually-agreed price
Dividend Received	-	-	38	22	Announced rate
<u>Transaction with Associates</u>					
Malee Group Public Company Limited					
Trade and other receivables	15	26	-	-	-
Accounts receivable under finance lease agreements	76	84	-	-	-
Rental deposit payables	8	8	-	-	Contract price
Income from contract manufacturing	80	103	-	-	Cost plus specified margin
Income from lending and service	19	13	-	-	Contract price
Income from selling raw materials	13	2	-	-	Cost plus specified margin
Cost of raw materials purchase	-	4	-	-	Mutually-agreed price
Administrative expenses	3	2	-	-	Mutually-agreed price
Malee International Company Limited					
Income from other contracts	3	1	-	-	Cost plus specified margin

Part 3
Financial Statement
ABICO HOLDINGS PLC.



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Independent Auditor's Report

To the Shareholders of Abico Holdings Public Company Limited

Opinion

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

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

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

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

Investment in associated company

The Company has investment in an associated company based on the equity method and has share of loss from investment in associated company presented in the consolidated financial statements and presented in the separate financial statements based on the cost method. These amounts are significant to the financial statements and have direct effect on profit or loss.

I have inquired the management relating to significant influence on the associated company to determine the appropriateness of recording transactions for investment in the associated company. I have evaluated the accounting policy and related transactions of such associated company. I have also checked the existence of the investment to the share certificates and supporting documents received from the securities company, tested the calculation of fair value of the investment, including its impairment as at the period-end date. Furthermore, I obtained the financial statements which have been audited by the Certified Public Accountant of such associated company to test the calculation of share of loss from investment in the associated company and tested proportionate interest in value of investment in the associated company. In addition, I determined whether there was adequate disclosure of information of such investment in the associated company in the notes to the financial statements.

Other Matter

The consolidated financial statements of Abico Holdings Public Company Limited and its subsidiaries (the Group), and the separate financial statements of Abico Holdings Public Company Limited as at 31 December 2020 were audited by another auditor, who under his report dated 25 February 2021, expressed an unqualified opinion on those financial statements.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 25 February 2022

Abico Holdings Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	8	45,243,777	13,954,876	625,281	618,422
Trade and other receivables	9	478,683,338	468,824,650	14,536,584	7,621,701
Current portion of lease receivable	20	5,759,588	4,600,630	-	-
Short-term loans to related party	7	-	-	15,000,000	1,200,000
Inventories	10	152,253,772	125,974,731	-	-
Other current assets		3,296,561	2,842,590	68,347	57,967
Total current assets		685,237,036	616,197,477	30,230,212	9,498,090
Non-current assets					
Lease receivable, net of current portion	20	70,121,481	79,140,996	-	-
Investments in subsidiaries	11	-	-	278,240,869	278,240,869
Investment in associated company	12	210,472,839	235,092,850	451,650,915	451,650,915
Property, plant and equipment	14	757,693,910	803,451,897	7	7
Right-of-use assets	20	179,073,584	214,689,638	-	-
Biological assets - dairy cow	15	49,938,300	46,249,500	-	-
Intangible assets		3,338,380	3,291,204	-	-
Deferred tax assets	25	2,473,397	809,382	1,570,000	-
Other non-current assets		9,367,109	9,933,046	1,145,400	1,172,067
Total non-current assets		1,282,479,000	1,392,658,513	732,607,191	731,063,858
Total assets		1,967,716,036	2,008,855,990	762,837,403	740,561,948

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

Abico Holdings Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	220,000,000	143,000,000	-	-
Trade and other payables	17	339,989,220	320,840,819	392,579	730,282
Current portion of					
- Long-term loans from financial institutions	18	65,842,102	114,746,142	-	15,626,476
- Lease liabilities	20	41,394,471	43,076,241	-	-
Income tax payable		2,512,208	9,680,017	-	-
Other current liabilities		5,096,071	4,256,682	4,103	25,653
Total current liabilities		674,834,072	635,599,901	396,682	16,382,411
Non-current liabilities					
Net current portion of					
- Long-term loans from financial institutions	18	37,492,214	122,205,038	-	-
- Lease liabilities	20	160,297,767	210,029,682	-	-
Provision for long-term employee benefits	21	39,919,926	35,431,998	-	-
Deferred tax liabilities	25	55,720,191	57,610,052	-	-
Other non-current liabilities	7	8,110,800	8,110,800	-	-
Total non-current liabilities		301,540,898	433,387,570	-	-
Total liabilities		976,374,970	1,068,987,471	396,682	16,382,411
Shareholders' equity					
Share capital					
Registered					
244,400,000 ordinary shares of Baht 1 each					
(2020: 235,000,000 ordinary shares of Baht 1 each)	22	244,400,000	235,000,000	244,400,000	235,000,000
Issued and paid up share capital					
244,397,239 ordinary shares of Baht 1 each					
(2020: 235,000,000 ordinary shares of Baht 1 each)		244,397,239	235,000,000	244,397,239	235,000,000
Retained earnings					
Appropriated - statutory reserve	23	24,439,724	23,500,000	24,439,724	23,500,000
Unappropriated		471,635,516	436,904,112	493,603,758	465,679,537
Other components of shareholders' equity		250,868,587	244,464,407	-	-
Total shareholders' equity		991,341,066	939,868,519	762,440,721	724,179,537
Total liabilities and shareholders' equity		1,967,716,036	2,008,855,990	762,837,403	740,561,948

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

Abico Holdings Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Revenues from sales and services		2,289,028,423	2,061,847,887	-	-
Other income					
Gain from changes in fair value of biological assets - dairy cow	15	13,887,800	10,414,500	-	-
Exchange gains		-	1,258,180	-	-
Dividend income	11	-	-	37,919,989	22,079,993
Others		9,088,883	19,646,014	7,226,699	7,846,164
Total revenues		2,312,005,106	2,093,166,581	45,146,688	29,926,157
Expenses					
Cost of sales and services		2,115,541,487	1,835,845,750	-	-
Selling and distribution expenses		4,745,262	4,280,914	-	-
Administrative expenses		82,086,804	72,943,538	7,144,986	2,577,546
Exchange losses		6,596,181	-	-	-
Total expenses		2,208,969,734	1,913,070,202	7,144,986	2,577,546
Operating profit		103,035,372	180,096,379	38,001,702	27,348,611
Share of loss from investment in associated company	12	(31,024,191)	(54,665,581)	-	-
Finance cost		(17,050,602)	(20,305,840)	(266,038)	(1,053,064)
Profit before income tax		54,960,579	105,124,958	37,735,664	26,295,547
Income tax	25	(8,847,732)	(24,290,213)	1,570,000	-
Profit for the year		46,112,847	80,834,745	39,305,664	26,295,547
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements					
in foreign currency of associated company	12	6,404,180	1,488,238	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		6,404,180	1,488,238	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial loss		-	(2,934,717)	-	-
Actuarial gain of associated company	12	-	2,066,592	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		-	(868,125)	-	-
Other comprehensive income for the year		6,404,180	620,113	-	-
Total comprehensive income for the year		52,517,027	81,454,858	39,305,664	26,295,547
Earnings per share					
	26				
Basic earnings per share		0.19	0.34	0.16	0.11

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

Abico Holdings Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements												
						Other components of shareholder's equity						
						Other comprehensive income						
						Exchange differences						
Issued and paid-up share capital	Premium on treasury shares of associated company	Treasury shares of associated company	Retained earnings			on translation of financial statements in foreign currency	Revaluation surplus on assets of associated company	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Total shareholders' equity		
			Appropriated	Treasury share reserve	Legal reserve						Unappropriated	
Balance as at 1 January 2020	235,000,000	1,490,670	(31,110,554)	23,500,000	31,110,554	355,446,822	(7,617,803)	184,882,013	65,711,959	242,976,169	858,413,661	858,413,661
Profit for the year	-	-	-	-	-	80,834,745	-	-	-	-	80,834,745	80,834,745
Other comprehensive income for the year	-	-	-	-	-	(868,125)	1,488,238	-	-	1,488,238	620,113	620,113
Total comprehensive income for the year	-	-	-	-	-	79,966,620	1,488,238	-	-	1,488,238	81,454,858	81,454,858
Share capital reduction of associated company	-	(1,490,670)	31,110,554	-	(31,110,554)	1,490,670	-	-	-	-	-	-
Balance as at 31 December 2020	235,000,000	-	-	23,500,000	-	436,904,112	(6,129,565)	184,882,013	65,711,959	244,464,407	939,868,519	939,868,519
Balance as at 1 January 2021	235,000,000	-	-	23,500,000	-	436,904,112	(6,129,565)	184,882,013	65,711,959	244,464,407	939,868,519	939,868,519
Profit for the year	-	-	-	-	-	46,112,847	-	-	-	-	46,112,847	46,112,847
Other comprehensive income for the year	-	-	-	-	-	-	6,404,180	-	-	6,404,180	6,404,180	6,404,180
Total comprehensive income for the year	-	-	-	-	-	46,112,847	6,404,180	-	-	6,404,180	52,517,027	52,517,027
Increase in share capital (Note 22)	9,397,239	-	-	-	-	-	-	-	-	-	9,397,239	9,397,239
Transfer of unappropriated retained earnings												
to legal reserve (Note 23)	-	-	-	939,724	-	(939,724)	-	-	-	-	-	-
Dividend paid (Note 29)	-	-	-	-	-	(10,441,719)	-	-	-	-	(10,441,719)	(10,441,719)
Balance as at 31 December 2021	244,397,239	-	-	24,439,724	-	471,635,516	274,615	184,882,013	65,711,959	250,868,587	991,341,066	991,341,066

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

Abico Holdings Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements			Total shareholders' equity
	Issued and paid-up share capital	Retained earnings		
		Appropriated - Legal reserve	Unappropriated	
Balance as at 1 January 2020	235,000,000	23,500,000	439,383,990	697,883,990
Total comprehensive income for the year	-	-	26,295,547	26,295,547
Balance as at 31 December 2020	<u>235,000,000</u>	<u>23,500,000</u>	<u>465,679,537</u>	<u>724,179,537</u>
Balance as at 1 January 2021	235,000,000	23,500,000	465,679,537	724,179,537
Total comprehensive income for the year	-	-	39,305,664	39,305,664
Increase in share capital (Note 22)	9,397,239	-	-	9,397,239
Transfer of unappropriated retained earnings				
to legal reserve (Note 23)	-	939,724	(939,724)	-
Dividend paid (Note 29)	-	-	(10,441,719)	(10,441,719)
Balance as at 31 December 2021	<u>244,397,239</u>	<u>24,439,724</u>	<u>493,603,758</u>	<u>762,440,721</u>

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

Abico Holdings Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before tax	54,960,579	105,124,958	37,735,664	26,295,547
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	100,731,546	94,886,189	-	912
Reduction of inventory to net realisable value	2,761,289	9,926,521	-	-
Gain from lease modification	(6,245,802)	-	-	-
Gain from changes in fair value				
of biological assets - dairy cow	(13,887,800)	(10,414,500)	-	-
Share of loss from investment in associated company	31,024,191	54,665,581	-	-
Unrealised loss on exchange rate	584,520	-	-	-
Gain on sales/write-off of plant and equipment	(10,809)	(1,251,659)	-	-
Loss from sales of biological assets - dairy cow	3,325,970	3,325,084	-	-
Provision for long-term employee benefits	5,263,688	4,354,320	-	-
Dividend income	-	-	(37,919,989)	(22,079,993)
Interest income	(38,728)	-	(323,461)	-
Finance cost	17,050,602	20,305,840	266,038	1,053,064
Profit (loss) from operating activities before changes in operating assets and liabilities	195,519,246	280,922,334	(241,748)	5,269,530
Operating assets (increase) decrease				
Trade and other receivables	(9,858,688)	(160,851,842)	(6,901,692)	(7,603,542)
Inventories	(29,040,330)	(18,924,790)	-	-
Other current assets	754,513	-	(10,380)	-
Other non-current assets	73,744	(30,533)	26,667	26,667
Operating liabilities increase (decrease)				
Trade and other payables	18,948,251	120,211,642	(390,970)	123,606
Other current liabilities	839,389	-	(21,550)	-
Payment of long-term employee benefits	(775,760)	(539,200)	-	-
Cash from (used in) operating activities	176,460,365	220,787,611	(7,539,673)	(2,183,739)
Cash received from interest income	38,728	-	310,270	-
Cash paid for interest expenses	(17,050,602)	(20,305,840)	(212,771)	(1,053,064)
Cash received from corporate income tax	492,193	-	-	-
Cash paid for corporate income tax	(20,777,901)	(21,661,060)	-	-
Net cash from (used in) operating activities	139,162,783	178,820,711	(7,442,174)	(3,236,803)

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

Abico Holdings Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Cash received from lease receivable	4,660,130	3,860,870	-	-
Short-term loans to related party	-	-	(22,000,000)	(12,800,000)
Cash received from short-term loans to related party	-	-	8,200,000	12,200,000
Cash received from sales of biological assets - dairy cow	6,873,030	6,809,916	-	-
Cash received from sales of plant and equipment	180,000	3,964,148	-	-
Cash paid for acquisitions of plant and equipment	(19,950,001)	(133,324,793)	-	-
Cash paid for acquisitions of intangible assets	(610,656)	-	-	-
Dividend income	-	-	37,919,989	22,079,993
Net cash from (used in) investing activities	(8,847,497)	(118,689,859)	24,119,989	21,479,993
Cash flows from financing activities				
Cash received from short-term loans				
from financial institutions	365,000,000	397,000,000	-	-
Repayment of short-term loans				
from financial institutions	(288,000,000)	(337,000,000)	-	-
Cash received from short-term loans from related party	-	-	5,800,000	6,200,000
Repayment of short-term loans from related party	-	-	(5,800,000)	(7,400,000)
Cash received from long-term loans from financial institutions	10,871,200	20,000,000	-	-
Repayment of long-term loans from financial institutions	(144,488,064)	(93,853,800)	(15,626,476)	(16,862,585)
Cash paid for lease liabilities	(41,365,041)	(49,385,256)	-	-
Dividend payment	(1,044,480)	-	(1,044,480)	-
Net cash used in financing activities	(99,026,385)	(63,239,056)	(16,670,956)	(18,062,585)
Net increase (decrease) in cash and cash equivalents	31,288,901	(3,108,204)	6,859	180,605
Cash and cash equivalents at beginning of the year	13,954,876	17,063,080	618,422	437,817
Cash and cash equivalents at end of the year	45,243,777	13,954,876	625,281	618,422
Supplemental cash flows information				
Non-cash transaction				
Issuance of stock dividend	9,397,239	-	-	-
Payables from purchases of equipment	384,370	-	-	-
Increase in right-of-use assets due to entering into lease agreements	5,639,000	84,619,771	-	-
Decrease in right-of-use assets due to lease modification	26,314,651	-	-	-
Transfers right-of-use to equipment	1,496,839	-	-	-

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

Abico Holdings Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2021

1. General information

1.1 General information of the Company

Abico Holdings Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the investment in equity securities. The subsidiaries are principally engaged in the manufacturing and contract manufacturing of ready to drink milk, drinks and fruit juice, including agriculture and dairy farm. The registered office of the Company is at 401/1, Moo 8, Abico Building, 5th Floor, Phaholyothin Road, Khookot Sub-district, Lamlookka District, Pathumthani.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact of various issues as the situation has evolved.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Abico Holdings Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2021</u> Percent	<u>2020</u> Percent
Abico Land Company Limited	Office buildings for rent	Thailand	99.99	99.99
Abico Dairy Farm Company Limited	Manufacturing and contract manufacturing of ready to drink milk, drinks and fruit juice	Thailand	99.99	99.99
PPO Farm Company Limited	Agriculture and dairy farm	Thailand	99.99	99.99

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

- 2.3 The separate financial statements present investments in subsidiaries and associated company under the cost method net of allowance for impairment loss (if any).

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

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

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

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

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

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Revenue from sale related to contract manufacturing is recognised over time when services have been rendered taking into account the stage of completion.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Inventories

Finished goods are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials and packing materials, work in process, animal feeds, medicine, chemical, medical supplies and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiaries and associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment/Depreciation

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

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

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

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

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

Land improvements	5 years
Buildings and construction	9 - 40 years
Machinery and equipment	5 - 20 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.6 Biological assets - dairy cow

Biological assets - dairy cow of the Group are measured at fair value less costs to sell.

The fair value of dairy cow is determined on the market values of livestock of similar age, breed and genetic merit as appraised by an independent appraiser.

Agricultural produce is milk which are measured at their fair value less costs to sell at the point of harvest.

Any gains or losses arising from changes in the value of biological assets are recognised in profit or loss.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets of the Group with finite useful lives comprise computer software, and have useful lives of 10 years.

4.9 Leases

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

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and buildings	20 years
Machinery and equipment	3 - 10 years
Tools	2 - 5 years
Motor vehicles	2 - 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

4.10 Related party transactions

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

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

4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

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

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

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

4.14 Provisions

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

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.16 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at FVTPL

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

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

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

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

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

Impairment of financial assets

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.17 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Guarantee fee income	-	-	7	8	As agreed
Dividend received	-	-	38	22	As announcement
<u>Transactions with associated company</u>					
Revenue from contract manufacturing	80	103	-	-	Cost plus margin
Revenue from rental and service	19	13	-	-	Contract price
Sales of raw materials	13	2	-	-	Cost plus margin
Revenue from other contract works	3	1	-	-	Cost plus margin
Purchases of raw materials	-	4	-	-	As agreed
Management fee	3	2	-	-	As agreed

The balances of the accounts as at 31 December 2021 and 2020 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade and other receivables - related parties</u>				
<u>Trade receivable - related party (Note 9)</u>				
Associated company	13,110	25,395	-	-
Total trade receivable - related party	13,110	25,395	-	-
<u>Other receivable - related party (Note 9)</u>				
Associated company	1,416	129	-	-
Total other receivable - related party	1,416	129	-	-

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Accrued income - related party (Note 9)</u>				
Subsidiary	-	-	14,531	7,620
Total accrued income - related party	-	-	14,531	7,620
Total trade and other receivables - related parties	14,526	25,524	14,531	7,620
<u>Lease receivable (Note 20)</u>				
Associated company	75,881	83,742	-	-
Total lease receivable	75,881	83,742	-	-
<u>Trade and other payables - related parties</u>				
<u>Trade payable - related party (Note 17)</u>				
Associated company	-	72	-	-
Total trade payable - related party	-	72	-	-
<u>Other payable - related party (Note 17)</u>				
Associated company	125	-	-	-
Total other payable - related party	125	-	-	-
<u>Accrued expenses - related parties (Note 17)</u>				
Subsidiary	-	-	53	-
Associated company	-	975	-	-
Total accrued expenses - related parties	-	975	53	-
Total trade and other payables - related parties	125	1,047	53	-
<u>Lease guarantee payable - related party</u>				
Associated company	8,111	8,111	-	-
Total lease guarantee payable - related party	8,111	8,111	-	-

Short-term loans to related party and short-term loans from related party

During the years, movements in short-term loans to and short-term loans from related party between the Company and related company are as follows:

(Unit: Thousand Baht)

Loans to	Separate financial statements			
	Balance as at 1 January 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2021
<u>Subsidiary</u>				
Abico Dairy Farm Company Limited	1,200	22,000	(8,200)	15,000
Total	1,200	22,000	(8,200)	15,000

The above loans are repayable on demand, unsecured, and carry interest at the rates of 1.9 and 5.0 percent per annum (2020: 5.0 percent per annum).

(Unit: Thousand Baht)

Loans from	Separate financial statements			
	Balance as at 1 January 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2021
<u>Subsidiary</u>				
Abico Dairy Farm Company Limited	-	5,800	(5,800)	-
Total	-	5,800	(5,800)	-

The above loans are unsecured and carry interest at the rate of 5.0 percent per annum.

Directors and management's remuneration

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	20,576	18,947	1,128	1,190
Post-employment benefits	1,099	1,119	-	-
Total	21,675	20,066	1,128	1,190

Guarantee obligation with related party

The Company has outstanding guarantee obligation with its subsidiary, as described in Note 30 to the consolidated financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	167	167	2	2
Bank deposits	45,077	13,788	623	616
Total	<u>45,244</u>	<u>13,955</u>	<u>625</u>	<u>618</u>

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.13 and 0.50 percent per annum (2020: 0.25 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivable - related party</u>				
Aged on the basis of due dates				
Not yet due	9,663	12,525	-	-
Past due up to 3 months	3,447	12,870	-	-
Total trade receivable - related party	<u>13,110</u>	<u>25,395</u>	<u>-</u>	<u>-</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	325,282	331,719	-	-
Past due up to 3 months	128,214	98,345	-	-
Total trade receivables - unrelated parties	<u>453,496</u>	<u>430,064</u>	<u>-</u>	<u>-</u>
Total trade receivables	<u>466,606</u>	<u>455,459</u>	<u>-</u>	<u>-</u>
<u>Other receivables</u>				
Other receivables - related parties	1,416	129	-	-
Other receivables - unrelated parties	1,571	2,852	6	2
Accrued income - related party	-	-	14,531	7,620
Accrued income - unrelated parties	9,090	10,385	-	-
Total other receivables	<u>12,077</u>	<u>13,366</u>	<u>14,537</u>	<u>7,622</u>
Trade and other receivables	<u>478,683</u>	<u>468,825</u>	<u>14,537</u>	<u>7,622</u>

The normal credit term is 3 to 45 days.

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Raw materials and packing materials	134,515	102,841	(16,348)	(13,587)	118,167	89,254
Work in process	2,691	3,211	-	-	2,691	3,211
Finished goods	265	1,841	-	-	265	1,841
Animal feeds	6,243	9,425	-	-	6,243	9,425
Medicine, chemical and medical supplies	895	794	-	-	895	794
Factory supplies	18,517	17,332	-	-	18,517	17,332
Raw materials in transit	5,476	4,118	-	-	5,476	4,118
Total	168,602	139,562	(16,348)	(13,587)	152,254	125,975

During the current year, the Group reduced cost of inventories by Baht 4 million (2020: Baht 10 million) (the Company only: Nil), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 1 million (2020: Nil) (the Company only: Nil), and reduced the amount of inventories recognised as expenses during the year.

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss on investment		Carrying amounts based on equity method - net		Dividends received during the year	
	2021	2020	2021 (Percent)	2020 (Percent)	2021	2020	2021	2020	2021	2020	2021	2020
Abico Land Company Limited	50	50	99.99	99.99	120,065	120,065	(120,065)	(120,065)	-	-	-	-
Abico Dairy Farm Company Limited	240	240	99.99	99.99	240,000	240,000	-	-	240,000	240,000	37,920	22,080
PPO Farm Company Limited	19	19	99.99	99.99	38,241	38,241	-	-	38,241	38,241	-	-
Total					<u>398,306</u>	<u>398,306</u>	<u>(120,065)</u>	<u>(120,065)</u>	<u>278,241</u>	<u>278,241</u>	<u>37,920</u>	<u>22,080</u>

12. Investment in associated company

12.1 Details of associated company

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
			2021	2020	Carrying amounts based on equity method		Cost	
			(Percent)	(Percent)	2021	2020	2021	2020
Malee Group Public Company Limited	Manufacturing and distribution of agricultural products	Thailand	27.21	27.21	210,473	235,093	451,651	451,651
Total					210,473	235,093	451,651	451,651

12.2 Share of comprehensive income

During the years, the Company has recognised its share of loss from investments in associated company in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Associated company	Consolidated financial statements			
	Share of loss from investment in associated company during the year		Share of other comprehensive income from investment in associated company during the year	
	2021	2021	2021	2020
Malee Group Public Company Limited	31,024	54,666	6,404	3,555
Total	31,024	54,666	6,404	3,555

12.3 Fair value of investment in listed associated company

In respect of investment in associated company that is listed company on the Stock Exchange of Thailand, its fair values are as follows:

(Unit: Million Baht)

Associated company	Fair values as at 31 December	
	2021	2020
Malee Group Public Company Limited	496	484
Total	496	484

12.4 Summarised financial information about material associated company

Summarised information about financial position

(Unit: Million Baht)

	Malee Group Public Company Limited	
	<u>2021</u>	<u>2020</u>
Current assets	1,338	1,227
Non-current assets	2,708	2,776
Current liabilities	(1,974)	(2,035)
Non-current liabilities	(1,316)	(1,128)

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Malee Group Public Company Limited	
	<u>2021</u>	<u>2020</u>
Revenues	3,455	3,870
Loss for the year	(122)	(203)
Other comprehensive income	38	13
Total comprehensive income	(84)	(190)

13. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
<u>Non-marketable equity securities</u>		
Equity securities		59,970
Less: Allowance for impairment loss on investment		(59,970)
Net		-

The Company had invested in Puerto Azul Land Inc. ("PALI") which engaged in the real estate and property development industry in the Philippines. However, the business operation of PALI ended and was unable to contact with the concerned person. The Company had fully provided allowance for impairment loss on investment. Currently, the management of the Company is under taking an appropriate action.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Revaluation basis	Cost basis						
	Land	Land improvements	Buildings and construction	Machinery and equipment	Furniture, fixtures	Motor vehicles	Assets under installation	
					and office equipment			
Cost/Revalued amount:								
1 January 2020	278,100	3,100	308,278	590,933	52,026	11,355	27,932	1,271,724
Additions	-	-	16,846	97,857	5,614	-	-	120,317
Disposals/Write off	-	-	(80)	(7,370)	(426)	(4,029)	-	(11,905)
Transfers	-	-	3,598	24,334	-	-	(27,932)	-
31 December 2020	278,100	3,100	328,642	705,754	57,214	7,326	-	1,380,136
Additions	-	-	1,659	2,820	4,658	109	10,320	19,566
Disposals/Write off	-	-	-	(180)	(48)	-	-	(228)
Transfers	-	-	1,515	7,880	382	-	(8,480)	1,297
31 December 2021	278,100	3,100	331,816	716,274	62,206	7,435	1,840	1,400,771
Accumulated depreciation:								
1 January 2020	-	3,100	190,103	295,950	29,798	6,685	-	525,636
Depreciation for the year	-	-	7,122	43,173	8,937	1,008	-	60,240
Depreciation on disposals/Write off	-	-	(54)	(4,752)	(357)	(4,029)	-	(9,192)
31 December 2020	-	3,100	197,171	334,371	38,378	3,664	-	576,684
Depreciation for the year	-	-	7,405	50,953	7,102	1,191	-	66,651
Depreciation on disposals/Write off	-	-	-	(36)	(22)	-	-	(58)
Depreciation on transfers out	-	-	-	(200)	-	-	-	(200)
31 December 2021	-	3,100	204,576	385,088	45,458	4,855	-	643,077

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis	Cost basis						Total
	Land	Land improvements	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	
Net book value:								
31 December 2020	278,100	-	131,471	371,383	18,836	3,662	-	803,452
31 December 2021	278,100	-	127,240	331,186	16,748	2,580	1,840	757,694
Depreciation for the year								
2020 (Baht 51 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)								60,240
2021 (Baht 62 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)								66,651

	(Unit: Thousand Baht)
	Separate financial statements
	Cost basis
	Furniture, fixtures and office equipment
Cost:	
1 January 2020	266
31 December 2020	266
31 December 2021	266
Accumulated depreciation:	
1 January 2020	265
Depreciation for the year	1
31 December 2020	266
31 December 2021	266
Net book value:	
31 December 2020	-
31 December 2021	-
Depreciation for the year	
2020 (Included in administrative expenses)	1
2021 (Included in administrative expenses)	-

The Group arranged for an independent professional valuer to appraise the value of land in 2019. The basis of the revaluation was market approach.

Had the land been carried in the financial statements on a historical cost basis, its net book value as of 31 December 2021 would have been Baht 47 million (2020: Baht 47 million) (the Company only: Nil).

As at 31 December 2021, certain items of buildings and construction, machinery and equipment, furniture, fixtures and office equipment and motor vehicles were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 309 million (2020: Baht 223 million) (the Company only: Baht 0.3 million, 2020: Baht 0.3 million).

15. Biological assets - dairy cow

Movements in biological assets - dairy cow account for the year ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Balance as at 1 January	46,250	45,970
Gain from changes in fair value of biological assets - dairy cow	13,888	10,415
Decrease from disposals	(10,200)	(10,135)
Balance as at 31 December	<u>49,938</u>	<u>46,250</u>

As at 31 December 2021 and 2020, biological assets were revalued by an independent valuer.

16. Short-term loans from financial institutions

Short-term loans from financial institutions as at 31 December 2021 and 2020, represent promissory notes of a subsidiary with a term of 4 months and the interests are payable in monthly installment at the same rate as agreed upon in the agreement. Short-term loans from financial institutions are secured as described in Note 19 to the consolidated financial statements.

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payable - related party	-	72	-	-
Trade payables - unrelated parties	296,791	274,120	-	-
Other payable - related party	125	-	-	-
Other payables - unrelated parties	29,900	31,012	-	-
Accrued expenses - related parties	-	975	53	-
Accrued expenses - unrelated parties	13,173	14,662	340	730
Total trade and other payables	<u>339,989</u>	<u>320,841</u>	<u>393</u>	<u>730</u>

18. Long-term loans from financial institutions

The balance of long-term loans from financial institutions as at 31 December 2021 and 2020 are as follows:

					(Unit: Thousand Baht)					
					2021			2020		
Loan	Loan facility	Contract date	Borrowing period	Repayment schedule	Current portion	Long-term portion	Total	Current portion	Long-term portion	Total
<u>The Company</u>										
1	Baht 80 million	29 November 2016	5 years	Principle and interest are repayable in monthly installments from December 2016 to December 2021	-	-	-	15,626	-	15,626
Total long-term loan from financial institution of the Company					-	-	-	15,626	-	15,626
<u>The subsidiary (Abico Dairy Farm Company Limited)</u>										
1	Baht 222 million	21 September 2016	5 years	Principle and interest are repayable in monthly installments from September 2016 to September 2021	-	-	-	34,660	-	34,660
2	Baht 25 million	6 November 2017	5 years	Principle and interest are repayable in monthly installments from November 2017 to November 2022	24	-	24	6,957	2,433	9,390
3	Baht 80 million	24 April 2018	5 years	Principle and interest are repayable in monthly installments from April 2018 to April 2023	20,446	-	20,446	20,765	26,699	47,464
4	Baht 116 million	21 December 2018	5 years	Principle and interest are repayable in monthly installments from December 2018 to December 2023	28,070	14,716	42,786	26,761	53,050	79,811
5	Baht 50 million	27 February 2020	5 years	Principle and interest are repayable in monthly installments from February 2021 to February 2026	12,622	22,776	35,398	9,977	40,023	50,000
6	Baht 50 million	21 January 2021	5 years	Principle and interest are repayable in monthly installments from January 2021 to January 2026	4,680	-	4,680	-	-	-
Total long-term loans from financial institutions of the subsidiary					65,842	37,492	103,334	99,120	122,205	221,325
Total long-term loans from financial institutions of the Group					65,842	37,492	103,334	114,746	122,205	236,951

Movements in long-term loans from financial institutions account for the year ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	236,951	310,805	15,626	32,489
Addition borrowings	10,871	20,000	-	-
Repayments	<u>(144,488)</u>	<u>(93,854)</u>	<u>(15,626)</u>	<u>(16,863)</u>
Ending balance	<u>103,334</u>	<u>236,951</u>	<u>-</u>	<u>15,626</u>

The group has interest payable in monthly installment at the same rate as agreed upon in the agreement. The loans are secured as described in Note 19 to the consolidated financial statements.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rates prescribed in the agreements.

As at 31 December 2021, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 39 million (2020: Nil) (The Company only: Nil).

19. Credit facilities

Credit facilities granted to the Group by financial institutions, as described in Note 16 and Note 18 to the consolidated financial statements, are secured by the following:

- a) The guarantee provided by the Company.
- b) The pledges/mortgages of certain items of property, plant and equipment of the subsidiary. However, on 28 December 2021, the Group made partial repayments for the loans from financial institutions and redeemed the pledge of machinery, equipment and motor vehicles. As at 31 December 2021, net book value of property and plant totaled Baht 353 million (2020: Baht 461 million).
- c) The pledge of partial ordinary shares of Malee Group Public Company Limited, an associated company. On 10 August 2021, the Company made full repayments for the loans from financial institutions and redeemed the pledge of ordinary shares.

20. Leases

20.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 - 20 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Lands and buildings	Machinery and equipment	Tools	Vehicles	Total
1 January 2020	25,538	118,664	1,904	5,061	151,167
Additions	-	95,208	-	2,420	97,628
Depreciation for the year	(1,604)	(29,008)	(962)	(2,531)	(34,105)
31 December 2020	23,934	184,864	942	4,950	214,690
Additions	-	-	4,160	1,479	5,639
Lease modification	(6,241)	-	-	-	(6,241)
Transfer out	-	(1,297)	-	-	(1,297)
Depreciation on transfer in	-	(200)	-	-	(200)
Depreciation for the year	(1,186)	(28,481)	(1,603)	(2,247)	(33,517)
31 December 2021	16,507	154,886	3,499	4,182	179,074

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Lease payments	239,084	280,943
Less: Deferred interest expenses	(37,392)	(27,837)
Total	201,692	253,106
Less: Portion due within one year	(41,394)	(43,076)
Lease liabilities - net of current portion	160,298	210,030

Movements of lease liabilities account for the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	253,106	213,394
Additions	5,639	84,620
Accretion of interest	9,075	7,161
Repayments	(50,440)	(52,069)
Lease modification	(15,688)	-
Balance at end of year	<u>201,692</u>	<u>253,106</u>

A maturity analysis of lease payments is disclosed in Note 32.1 to the consolidated financial statements under the liquidity risk.

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Depreciation expenses of right-of-use assets	33,517	34,105
Interest expenses on lease liabilities	9,075	7,161
Expenses relating to short-term leases	701	2,008
Expenses relating to leases of low-value assets	1,842	2,233

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 53 million (2020: Baht 56 million), including the cash outflow related to short-term leases and leases of low-value assets.

20.2 Group as a lessor

The Group has entered into finance leases for its building area of the lease term is 18 years.

(Unit: Thousand Baht)

Consolidated
financial statements

	<u>2021</u>	<u>2020</u>
Undiscounted lease payments receivable under finance leases		
Within 1 year	15,719	15,064
Over 1 and up to 5 years	64,263	63,596
Over 5 years	157,010	173,396
Total	236,992	252,056
Less: Deferred interest income	(161,111)	(168,314)
Balance as at 31 December	75,881	83,742
Less: Current portion	5,760	4,601
Lease receivable - net of current portion	<u>70,121</u>	<u>79,141</u>

Amount recognised in profit or loss for finance leases

(Unit: Thousand Baht)

Consolidated financial statements

	<u>2021</u>	<u>2020</u>
Interest income on the net investment in finance leases	19,582	11,143

21. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Provision for long-term employee benefits at beginning of year	35,432	27,948
Included in profit or loss:		
Current service cost	4,741	3,583
Interest cost	523	772
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	904
Financial assumptions changes	-	3,442
Experience adjustments	-	(678)
Benefits paid during the year	<u>(776)</u>	<u>(539)</u>
Provision for long-term employee benefits at end of year	<u><u>39,920</u></u>	<u><u>35,432</u></u>

The Group expects to pay Baht 0.1 million of long-term employee benefits during the next year (2020: Baht 1 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefits is 9 - 14 years (2020: 9 - 14 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)	
	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Discount rate	1.23 - 1.53	1.23 - 1.53
Salary increase rate	3.50 - 7.00	3.50 - 7.00
Turnover rate	0 - 40	0 - 40

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

(Unit: Million Baht)

	Consolidated financial statements			
	2021		2020	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(3)	4	(3)	4
Salary increase rate	4	(3)	3	(3)
	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
	<u>increase 10%</u>	<u>decrease 10%</u>	<u>increase 10%</u>	<u>decrease 10%</u>
Turnover rate	(1)	2	(1)	1

22. Share capital

On 22 April 2021, the Company's Annual General Meeting of the shareholders passed a resolution to increase the registered share capital by Baht 9.4 million, through the issuance of 9.4 million additional ordinary shares of Baht 1 each, to support dividend payment to existing shareholders. The Company registered the increase in share capital with the Ministry of Commerce on 29 April 2021.

23. Statutory reserve

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

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Changes in inventories of finished goods and work in progress	(2,096)	(1,452)	-	-
Raw materials and consumables used	1,694,707	1,412,453	-	-
Salaries and wages and other employee benefits	171,587	165,615	1,128	1,190
Depreciation and amortisation expenses	100,732	94,886	-	1
Rental and utilities expenses	53,410	61,076	-	-
Repair and maintenance expenses	72,944	82,825	-	-
Consultant and professional fees	8,778	3,766	4,997	619

25. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	12,402	24,227	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,554)	63	(1,570)	-
Income tax reported in profit or loss	<u>8,848</u>	<u>24,290</u>	<u>(1,570)</u>	<u>-</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax on				
- Actuarial loss	-	(734)	-	-
- Actuarial gain of associated company	-	517	-	-
	-	(217)	-	-

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit before tax	54,961	105,125	37,736	26,296
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	10,992	21,025	7,547	5,259
Effects of:				
Income not subject to tax	(7,464)	(6,499)	(7,584)	(4,416)
Taxable income	4,783	4,417	-	-
Share of loss from investment in associated company	6,205	10,933	-	-
Non-deductible expenses	2,277	2,580	6	10
Additional expense deductions allowed	(6,448)	(7,313)	-	-
Others	(1,497)	(853)	(1,539)	(853)
Total	(2,144)	3,265	(9,117)	(5,259)
Income tax reported in profit or loss	8,848	24,290	(1,570)	-

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax assets				
Reduce cost to net realisable value	3,270	2,718	-	-
Provision for long-term employee benefits	7,984	7,086	-	-
Deferred gain from sale and lease back agreement	324	490	-	-
Lease liabilities	5	7	-	-
Unused tax loss	1,570	-	1,570	-
Total	13,153	10,301	1,570	-
Deferred tax liabilities				
Accumulated depreciation of fixed assets	(19,184)	(18,955)	-	-
Revaluation surplus of land	(46,221)	(46,221)	-	-
Effected on revenue recognised over the period	(995)	(1,926)	-	-
Total	(66,400)	(67,102)	-	-
Deferred tax assets (liabilities) - net	(53,247)	(56,801)	1,570	-

Deferred tax assets (liabilities) presented in the statement of financial position:

Deferred tax assets	2,473	809	1,570	-
Deferred tax liabilities	(55,720)	(57,610)	-	-
Total	(53,247)	(56,801)	1,570	-

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 41 million (2020: Baht 52 million) (the Company only: Baht 27 million, 2020: Baht 42 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2021</u>	<u>2020</u>
31 December 2021	-	7
31 December 2022	-	6
31 December 2023	2	4
31 December 2024	4	4
31 December 2025	21	21
	<u>27</u>	<u>42</u>

26. Earnings per share

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit attributable to equity holders of the Company (Thousand Baht)	46,113	80,835	39,306	26,296
Weighted average number of ordinary shares (Thousand shares)	240,793	235,000	240,793	235,000
Earnings per share (Baht)	0.19	0.34	0.16	0.11

27. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and have four reportable segments as follows:

- a) Investment segment
- b) Manufacturing and contract manufacturing of ready to drink milk, drinks and fruit juice segment
- c) Office buildings for rent segment
- d) Agriculture and dairy farm segment

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2021 and 2020.

(Unit: Thousand Baht)

For the year ended 31 December														
	Investment segment		Manufacturing and contract manufacturing of ready to drink milk, drinks and fruit juice		Office buildings for rent		Agriculture and dairy farm		Total		Elimination		Consolidation	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Revenues from external customers	-	-	2,210,315	1,989,200	18,545	12,733	60,168	59,915	2,289,028	2,061,848	-	-	2,289,028
Inter-segment revenues	-	-	-	-	3,213	3,258	-	-	3,213	3,258	(3,213)	(3,258)	-	-
Total revenues	-	-	2,210,315	1,989,200	21,758	15,991	60,168	59,915	2,292,241	2,065,106	(3,213)	(3,258)	2,289,028	2,061,848
Segment profit	38,002	27,349	89,473	168,437	9,093	3,976	4,763	1,496	141,331	201,258	(38,296)	(21,162)	103,035	180,096
Unallocated income and expenses:														
Share of loss from investment														
in associated company														
												(31,024)	(54,665)	
Finance cost												(17,050)	(20,306)	
Profit before income tax												54,961	105,125	
Income tax												(8,848)	(24,290)	
Profit for the year												46,113	80,835	

The basis of pricing policies for the inter-segment transfer are at cost and at the price as described in Note 7 to the consolidated financial statements.

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2021, the Group has revenue from two major customers in amount of Baht 1,563 million and Baht 461 million, arising from sales by manufacturing and contract manufacturing of ready to drink milk, drinks and fruit juice segment (2020: Baht 1,144 million and Baht 516 million derived from two major customers, arising from sales by manufacturing and contract manufacturing of ready to drink milk, drinks and fruit juice segment).

28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and employees contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Thanachart Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 2 million (2020: Baht 2 million) were recognised as expenses.

29. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends (Million Baht)</u>	<u>Dividend per share (Baht)</u>
Final dividends for 2020	Annual General Meeting of the shareholders on 22 April 2021	10	0.04
Total for 2021		10	0.04

On 22 April 2021, the Company's Annual General Meeting of the shareholders passed a resolution approving a share dividend for 2020 in proportion of 25 existing shares per 1 dividend share, totaling 9.4 million shares of Baht 1 each, the Company's Annual General Meeting of the shareholders passed a resolution to increase the registered share capital to support dividend payment, as described in Note 22 to the consolidated financial statements and a cash dividend of Baht 1 million, to its shareholders.

30. Contingent liabilities

Guarantees

a) As at 31 December 2021, the Company had guaranteed amounting to Baht 323 million (2020: Baht 364 million) of loans that a subsidiary obtained from financial institution. These guarantee is effective so long as the underlying obligations have not been discharged by such subsidiary, as described in Note 19 a) to the consolidated financial statements.

Guarantee fees have been charged at 2 percent of the guarantee amount.

b) As at 31 December 2021, the subsidiary has outstanding bank guarantee of Baht 5 million (2020: Baht 5 million) issued by bank on behalf of the subsidiary in respect of certain performance bonds as required in the normal course of business of subsidiary.

31. Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets measured at fair value								
Land	-	-	-	-	278	278	278	278
Biological assets - dairy cow	-	-	-	-	50	46	50	46

32. Financial instruments

32.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, lease receivable, loans to, investments, trade and other payables, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Trade receivables and lease receivable

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

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

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties.

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

Market risk

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

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies.

As at 31 December 2021 and 2020, the balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements			
	Financial liabilities		Average selling rate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.2	0.7	33.5929	30.2068

Foreign currency sensitivity

The Group considers that the sensitivity of the Group's profit before tax to a reasonably possible change in exchange rates affected as at 31 December 2021 and 2020 are not material.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans to, short-term and long-term loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements

As at 31 December

	Fixed interest rate						Floating				Total	Effective interest rate		
	Within 1 year		1 -5 years		Over 5 years		interest rate		Non-interest bearing			2021	2020	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020				
	(% per annum)													
Financial assets														
Cash and cash equivalent	-	-	-	-	-	-	38	10	7	4	45	14	Note 8	Note 8
Trade and other receivables	-	-	-	-	-	-	-	-	479	469	479	469	-	-
Lease receivable	6	5	24	17	46	62	-	-	-	-	76	84	3.63	7.15
	6	5	24	17	46	62	38	10	486	473	600	567		
Financial liabilities														
Short-term loans from														
financial institutions	220	143	-	-	-	-	-	-	-	-	220	143	Note 16	Note 16
Trade and other payables	-	-	-	-	-	-	-	-	340	321	340	321	-	-
Long-term loans from														
financial institutions	-	-	-	-	-	-	103	237	-	-	103	237	Note 18	Note 18
Lease liabilities	41	43	102	134	59	76	-	-	-	-	202	253	2.05 - 4.34	2.05 - 4.34
	261	186	102	134	59	76	103	237	340	321	865	954		

(Unit: Million Baht)

Separate financial statements

As at 31 December

	Fixed interest rate		Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	Within 1 year									
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(% per annum)									
<u>Financial assets</u>										
Cash and cash equivalent	-	-	1	1	-	-	1	1	Note 8	Note 8
Trade and other receivables	-	-	-	-	15	8	15	8	-	-
Short-term loans to related party	15	1	-	-	-	-	15	1	Note 7	Note 7
	15	1	1	1	15	8	31	10		
<u>Financial liabilities</u>										
Trade and other payables	-	-	-	-	-	1	-	1	-	-
Short-term loans from financial institutions	-	-	-	16	-	-	-	16	-	Note 18
	-	-	-	16	-	1	-	17		

Interest rate sensitivity

The Group considers that the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate affected as at 31 December 2021 and 2020 are not material.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group considers that the liquidity risk is low, since the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

		Consolidated financial statements							
		As at 31 December							
		Within 1 year		1 to 5 years		Over 5 years		Total	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Non-derivatives									
Short-term loans from financial institutions		221	144	-	-	-	-	221	144
Trade and other payables		340	321	-	-	-	-	340	321
Long-term loans from financial institutions		69	153	38	105	-	-	107	258
Lease liabilities		44	48	108	122	87	111	239	281
Total non-derivatives		674	666	146	227	87	111	907	1,004

(Unit: Million Baht)

		Consolidated financial statements							
		As at 31 December							
		Within 1 year		1 to 5 years		Over 5 years		Total	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Non-derivatives									
Trade and other payables		-	1	-	-	-	-	-	1
Long-term loans from financial institutions		-	16	-	-	-	-	-	16
Total non-derivatives		-	17	-	-	-	-	-	17

32.2 Fair values of financial instruments

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

During the current year, there were no changes in the methods and assumptions used in estimating the fair value of financial instruments and there were no transfers within the fair value hierarchy.

33. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2021 and 2020, the Group's debt-to-equity ratio as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Debt-to-equity	0.985:1	1.137:1	0.001:1	0.023:1

34. Events after the reporting period

On 25 February 2022, a meeting of the Company's Board of Directors passed resolutions on the following significant matters.

- The shareholding and management restructuring
- The delisting of the Company's shares listed on the Market for Alternative Investment
- The payment of a final dividend for the year 2021 to its shareholders at the rate of Baht 0.0452 per share, calculated based on the 244.4 million registered and paid-up shares, or a total of Baht 11.05 million

These resolutions will be further proposed for the shareholders' approval in the 2022 Annual General Meeting of the Company's shareholders.

35. Reclassification

During the current year, certain amounts in the statement of financial position as at 31 December 2020 have been reclassified to conform to the current year's classifications. The reclassifications are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Assets				
Trade and other receivables	468,824	471,667	7,622	7,680
Other current assets	2,843	-	58	-
Deferred tax assets	809	10,301	-	-
Liabilities				
Trade and other payables	320,841	325,098	730	756
Other current liabilities	4,257	-	26	-
Deferred tax liabilities	57,610	67,102	-	-

The reclassifications had no effect to previously reported profit or shareholders' equity.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2022.

Part 4

Certification of the Accuracy of Information

The Company has carefully reviewed the information in this Annual Registration Statement /Annual Report and certified that such information is accurate, complete, and true, without misunderstanding of other persons or without lack of information that should be informed in the materiality. In addition, the Company has also certified as follows:

- (1) Financial statements and financial information summarized in this Annual Registration Statement / Annual Report are accurately and completely presented with financial position, operating performance, and cash flow of the Company and its subsidiaries.
- (2) The Company has set up a suitable disclosure system to ensure that the material information of both the Company and its subsidiaries are disclosed accurately and completely, including supervising to have compliance with the said system.
- (3) The Company has established a proper internal control system and supervises the implementation of the said system. On December 31, 2021, the Company has already inform the auditor and the Audit Committee of the internal control system, which covers deficiencies and significant changes to the internal control system, including any wrong actions that may affect the financial report of the Company and its subsidiaries.
- (4) As evidence that all documents are the same documents certified by the Company, the Company has assigned Mr. Chalee Thiraworakul to sign this document on every page. If any pages do not contain Mr. Chalee Thiraworakul's signature, it will not be considered that the Company has certified the accuracy as mentioned above.

Name	Position	Signature
1) Mr. Chaichat Boonyarat	Director	-----Chaichat Boonyarat----
2) Mr. Kitti Vilaiavrangkul	Director	-----Kitti Vilaiavrangkul-----
<u>The Authorized Person</u>		
1) Mr. Chalee Thiraworakul	Company Secretary	-----Chalee Thiraworakul-----

Attachment 1

Information on Company Directors and Secretary

Name Position	Age (years old)	Education	Ratio of Shareholdings (%)	Relation in family within the Company	Work Experience in the Past 5 Years		
					Period	Position	Organization/Company/Type of Business
Mrs. Chintana Boonyarat Company's Chairman (Appointed on November 3, 1992) (Authorized Director)	70	Bachelor Degree: Business Administration, Menlo University, United States of America Training on Directorship Directors Certification Program DCP 5/2000, Thai Institute of Directors (IOD)	1.55	Mother of Mr. Chaichat Boonyarat	2018 - Present 2018 - Present 1992 - 2018 2008 - 2018 2016 - Present 2013 - Present	Chairman Chairman Director Director Director Director	Abico Holdings Public Co., Ltd. Malee Group Public Co., Ltd. Abico Holdings Public Co., Ltd. Malee Group Public Co., Ltd. Abico Land Co., Ltd. Central Group.
Mr. Kitti Vilaivarangkul Managing Director, Director, Member of Nomination and Remuneration Committee (Appointed on July 31, 1999) (Authorized Director)	65	Master Degree: Business Administration, Thammasat University Bachelor Degree: Accounting (Second Class Honors), Ramkhamhaeng University Training on Directorship Directors Accreditation Program DAP 2005, Thai Institute of Directors (IOD) Director Certification Program DCP 2010 Thai Institute of Directors (IOD) Board Nomination and Compensation Program (BNCP2019), Thai Institute of Directors (IOD)	None	None	1999 - Present 2003 - Present 2003 - Present 1997 - Present 1999 - Present 1997 - Present	Managing Director, Director, Member of Nomination and Remuneration Committee Director Director Director Director Director	Abico Holdings Public Co., Ltd. Malee Group Public Co., Ltd. Malee Enterprise Co. Ltd. Abico Dairy Farm Co, Ltd. Abico Land Co., Ltd. PPO Farm Co., Ltd.
Mr. Chaichat Boonyarat Director (Appointed on April 29, 2013) (Authorized Director)	42	Master Degree in Business Administration, Sasin Graduate Institute of Business Administration Bachelor Degree in Electrical Engineering, Rochester Institute of Technology Training on Directorship Directors Certification Program DCP182/2013 (IOD)	24.96	Son of Mrs. Chintana Boonyarat	2013 - Present 2016 - Present 2018 - Present	Director Director Director	Abico Holdings Public Co., Ltd. Abico Land Co., Ltd. Abico Dairy Farm Co, Ltd.

Information on Company Directors and Secretary (continued)

Name Position	Age (years old)	Education	Ratio of Shareholdings (%)	Relation in family within the Company	Work Experience in the Past 5 Years		
					Period	Position	Organization/Company/Type of Business
<p>Mr. Khemadhat Sukonhasingha Independent Director, Chairman of Audit Committee Chairman, Member of Nomination and Remuneration Committee, Member of Risk Management Committee</p> <p>(Appointed on September 14, 2000)</p>	73	<p>Honorary Doctor of Industrial Technology, King Mongkut's University of Technology North Bangkok National Defense College, National Defense Course, Joint Public and Private Sectors Bachelor Degree in Engineering (Electrical Communication), Chulalongkorn University</p> <p>Training on Directorship Directors Certification Program 2006 Thai Institute of Directors (IOD) Audit Committee Program 2006, Thai Institute of Directors (IOD)</p>	None	None	<p>2000 - Present Independent Director, Chairman of Audit Committee, Member of Nomination and Remuneration Committee, and Member of Risk Management Committee</p> <p>2005 - 2014 Independent Director and Member of Audit Committee</p> <p>Present Member of Audit Committee</p> <p>Present Chairman of Audit Committee</p>	<p>Abico Holdings Public Co., Ltd.</p> <p>Malee Group Public Co., Ltd.</p> <p>Euro Asia Business Consultant Co., Ltd.</p> <p>King Mongkut's University of Technology Thonburi</p>	
<p>Mr. Arnant Maiphum Independent Director, Member of Audit Committee, Chairman of Nomination and Remuneration Committee, Member of Risk Management Committee</p> <p>(Appointed on May 10, 2018)</p>	73	<p>Master Degree in Housing Development, Chulalongkorn University. Master Degree in Business Administration (MBA), Kasetsart University. Bachelor Degree in Financial Economic, University of the Thai Chamber of Commerce</p>	None	None	<p>2018 - Present Independent Director, Member of Audit Committee, Chairman of Nomination and Remuneration Committee, and Member of Risk Management Committee Lecturer of Executive MBA</p> <p>2011 - 2012 Director, Mentoring and</p> <p>2003 - 2008 Director System Project Early - Stage SME</p> <p>2000 - 2003 President</p>	<p>Abico Holdings Public Co., Ltd.</p> <p>Khon Kaen University and Ramkhamhaeng University</p> <p>OSMEP, Ministry of Industry</p> <p>Financial Advisory for SMEs and Public, Ministry of Finance.</p>	

Information on Company Directors and Secretary (continued)

Name Position	Age (years old)	Education	Ratio of Shareholdings (%)	Relation in family within the Company	Work Experience in the Past 5 Years		
					Period	Position	Organization/Company/Type of Business
					1999 - 2000 1996 - 1999 1990 - 1996	Fund Manager Managing Director Credit Director	Student loan Fund, Ministry of Finance. Credit Fancier LPN Co., Ltd. UOB Bank
Mr. Karn Punyacharoensin Independent Director, Member of Audit Committee, Chairman of Nomination and Remuneration Committee, Member of Risk Management Committee, (Appointed on April 22, 2021)	40	Master Degree in Business Administration, Boston College, Carroll School of Management (Magna Cum Laude) Bachelor Degree in Industrial Engineering (First Class Honor), Thammasat University Training on Directorship Directors Accreditation Program Class DAP 153/2018, Thai Institute of Directors (IOD)	None	None	2021 - Present 2018 - Present 2018 - Present 2015 - Present	Independent Director, Member of Audit Committee, Chairman of Nomination and Remuneration Committee, Member of Risk Management Committee, Director Director Managing Director	Abico Holdings Public Co. Ltd. Optimum Technology Co., Ltd. Beryl 8 Plus Co., Ltd. Science Engineering International Co., Ltd.
Mr. Chalee Thiraworakul Person Assigned to the Highest Responsibility in Accounting and Finance, Person Assigned to the Direct Responsibility of Supervising Accounting Preparation, and Secretary of the Company (Appointed on May 14, 2015)	40	Master Degree in Accounting, Kasetsart University Bachelor Degree in Accounting, Rajamangala University of Technology Thanyaburi <u>Training in 2021</u> - Producing Effective Financial Reports by Developing Presentation Skills on Financial Highlights and Performance Highlights	0.0003	None	2015 - Present	Company Secretary	Abico Holdings Public Co., Ltd.

Information on Company Executives

Name Position	Age (years old)	Education	Ratio of Shareholdings (%)	Relation in family within the Company	Work Experience in the Past 5 Years		
					Period	Position	Organization/Company/Type of Business
Mr. Wisanu Pitsang Plant Manager	46	Master Degree in Industrial Management, Ramkhamhaeng University. Bachelor Degree in Engineering, King Mongkut's University of Technology North Bangkok	None	None	2021 - Present 2018 - 2020 2014 - 2017	Plant Manager Plant Manager Production Manager	Abico Dairy Farm Co, Ltd. General Beverage Co.,Ltd. Suntory PepsiCo Beverage Co.,Ltd.
Mr. Thanit Joomja Engineering Manager	48	Bachelor Degree in Electrical Engineering, Sripatum University	None	None	2018 - Present 1999 - 2018	Engineering Manager Utilities Department Manager	Abico Dairy Farm Co, Ltd. CP-Meiji Co., Ltd.
Mrs. Sarapee Hansoongnern QA Manager	51	Bachelor Degree in Science, Nakhon Ratchasima Rajabhat University	None	None	2017 - Present 2014 - 2017	Quality Assurance Manage Quality Assurance Manager	Abico Dairy Farm Co, Ltd. Mary Anne Co., Ltd.
Miss Pornprapa Luxsameesathaporn AVP Contract Manufacturing & Planning	45	Master Degree in Food Engineering, King Mongkut's University of Technology North Bangkok Bachelor Degree in Science, Kasetsart University	0.0004	None	2018 - Present 2008 - 2018	Assistant Managing Director of Contract Manufacturing and Production Planning Assistant Managing Director of Contract Manufacturing and Production Planning	Abico Dairy Farm Co, Ltd. Malee Group Public Co., Ltd.
Miss Kanokporn Pomsathit Purchase Manager	56	Bachelor Degree in Humanities, Srinakharinwirot University Prasarnmit	0.0003	None	2001 - Present	Purchase Manager	Abico Dairy Farm Co, Ltd.
Mrs. Kasara Rungsang Accounting Management Manager	55	Bachelor Degree in Accounting, Rajamangala Institute of Technology	0.0003	None	2001 - Present	General Accounting Manager	Abico Dairy Farm Co, Ltd.
Miss Darunee Techapomrakul General Accounting Manager	54	Bachelor Degree in Accounting, Ramkhamhaeng University	0.0003	None	2003 - Present	Accounting and Finance Manager	Abico Dairy Farm Co, Ltd.

Attachment 2

Information on the Board of Directors of Subsidiaries

List of Directors of Subsidiaries as of December 31, 2021, consists of 6 Directors as follows:

Name	ABICO	Subsidiary		
		ADF	A-LAND	PPO FARM
1. Mrs. Chintana Boonyarat	x		//	
2. Mr. Kitti Vilaiavrangkul	/, //	/, //	/, //	/, //
3. Mr. Chaichat Boonyarat	//	//	//	
4. Miss Kanokporn Pomsathit		//		//
5. Miss Darunee Techapomrakul			//	
6. Mr. Chalee Thiraworakul				//

หมายเหตุ

x = Chairman
 / = Managing Director
 // = Director

Attachment 3

Information on Chief Internal Auditor and Chief of Compliance Unit

The Company uses the internal audit service from P.J. Accounting and Audit Co., Ltd. as the auditor of the internal control system. The head of the internal control audit team has qualifications, education, and work experience as follows:

Name Position	Age (years old)	Education	Ratio of Shareholdings (%)	Relation in family within the Company	Work Experience		
					Period	Period	Period
Mr. Jitdanai Kanabutr	33	<ul style="list-style-type: none"> - Master Degree in Accounting, Kasetsart University (Special Program) MASP - Bachelor Degree in Accounting, Chao Phraya University - Special Lecturer, Chao Phraya University - Certified Public Accountant (No.13082) - Cooperative Auditor - Certified Professional Internal Auditors of 	None	None	2016 – Present	Managing Director	- P.J. Accounting and Audit Co., Ltd.
					2011 - 2016	Accounting and Tax Consultant	- Biossia Group/Production and Distribution of Products Made from Rice Business - Gold Mints Products Co.,Ltd. / Traditional Medicine Business
						Project Team(ERP Microsoft Ax)	- Gold Mints Products Co.,Ltd. / Traditional Medicine Business - ASN Broker Public Company Limited/ Insurance Agent - Exotic Food Public Company Limited/Production and Distribution of Food and

		Thailand (CPIAT-189) / IIA (Former)				<p>Outsource Internal Audit (listing companies on the stock exchange)</p> <p>Senior Consolidated Financial Officer (Company Group)</p> <p>Internal Audit Officer (Thairung Trading Group)</p>	<p>Condiments</p> <p>- Other manufacturing businesses preparing to be listed on the stock exchange (MAI)</p> <p>- Affiliated with Thai V.P. Corporation Co., Ltd. (Providing Short-term and Long-term Car Rental services / Car Dealer)</p> <p>- Affiliated with Thai V.P. Corporation Co., Ltd. (Providing Short-term and Long-term Car Rental services / Car Dealer)</p>
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Training in the Past Year

- Risk-based Audit Planning, Institute of Internal Auditors of Thailand
- Audit Planning and Audit Report Writing, Cooperative Auditing Department
- Establishment of Agricultural Cost Accounting System, Federation of Accounting Professions
- Consolidated Financial Statements and Analytical Principles, Federation of Accounting Professions
- IT Audit for Non IT Auditor, Federation of Accounting Professions
- Gaining Insight on Important Financial Reporting Standards and Understanding the Auditor's Report, Federation of Accounting Professions
- Impact of TFRS 16: Lease Agreement on Financial Statements in the View of Users of Financial Information, Federation of Accounting Professions
- Advanced Tax Auditor, School of Tax

Attachment 4

Information on Appraised Value of Assets

PPO Farm Company Limited (subsidiary) has appraised assets - dairy cows. The total appraised value of biological assets as at December 31, 2021, based on the appraisal method by the "Market Approach" comparison, equals to Baht 49.94 million. The date of the asset appraisal report dated January 12, 2022.

Objectives of the appraisal is to know the market value (Market Approach) of the assets without obligation for consideration in accounting in accordance with Accounting Standard No. 41 on Agriculture.

The appraiser was Mr. Wattana Champawan from 15 Business Advisory Limited, who was approved by the Securities and Exchange Commission according to the Notification of the the Securities and Exchange Commission SorChor. 24/2555.

Attachment 5

Full Version of Policy and Guideline on Corporate Governance and Business Ethics of the Company is detailed as follows:

Policy on Good Governance

The Company has established a written corporate governance policy. The Board of Directors Meeting No. 4/21 dated November 11, 2021, has approved the said policy. In this regard, the Board of Directors has arranged for a policy review and compliance with the said policy on an annual basis. There is communication and training for everyone in the organization, as well as the understanding of the correct corporate governance policy to encourage everyone in the organization to comply with the specified policy. The Company has adopted good corporate governance guidelines for listed companies, with the Good Corporate Governance Principles of Listed Companies 2017 of the SEC serving as a guideline as follows:

1 Rights of Shareholders

The Company places its importance on rights of shareholders, disclosure of sufficient, accurate, complete, punctual and equal information to all shareholders for reference to their future decisions. Following is the policies determined by the Board of Directors:

- 1.1 The Company sends the invitation letter along with sufficient information on the meeting agendas by specifying objectives and reasons of the meeting and opinions of directors on every agendas to enable shareholders study the information included at least 21 days prior to the meeting date. In case where shareholders cannot attend the meeting, they may assign any independent Director or any person to attend the meeting on their behalf by using the proxy form which is sent together with the notice to the meeting or it can be downloaded through the Company's website.
- 1.2 The Company facilitates all shareholders equally during the meeting by providing appropriate location and time of the meeting.
- 1.3 During the meeting, the agenda will be voted in order without changing any significant information and all shareholders have equal right to review business operation of the Company, inquire and express opinions and suggestions. The meeting will be attended by directors and related executives to answer all question raised during the meeting.
- 1.4 The Company provides additional channel for disseminating news on its website. The invitation letter to the meeting is uploaded at least 21 days prior to the meeting date to enable shareholders to download and acknowledge accurate and complete information of the meeting.
- 1.5 Directors, senior executives, certified auditor are required to attend the meeting to answer questions from shareholders. Abico Holdings Public Company Limited Annual Report 2021
- 1.6 The record of the minutes of the meeting must be complete, accurate, timely, and transparent, where all questions and comments are recorded for review and reference purpose. Then the minutes of the meeting will be disclosed in the Company's website and sent to the Stock Exchange of Thailand within 14 days from the date of the meeting.
- 1.7 For more convenience for shareholders, the Company pays dividend (if any) by transferring it to shareholders' bank accounts to facilitate shareholders to receive dividends on time, preventing problems with damaged, lost, or delayed checks.

- 1.8 It is the Company's policy that shareholders are allowed to propose the meeting agenda and/or questions related to the general meeting of shareholders 3 months prior to the date of the shareholders' meeting to ensure that shareholders will receive highest benefit from the meeting, to maintain the rights and interest of shareholders. The proposal or questions can be submitted through e-mail or fax to the Secretary of Abico Holdings Public Company Limited.
- 1.9 Determine criteria to consider the Directors' remuneration based on duties, responsibilities and work performance which is linked to operation result and other relating factors; compare the rate and remuneration of other companies in the same industry of similar based on the survey result provided by the Thai Institute of Directors "IOD". However, the Directors' remuneration must be considered, compared and screened by the Nomination and Remuneration Committee and proposed to the Board of Directors for consideration prior to submission to the annual general meeting of shareholders.
- 1.10 The Company agrees to have an independent person to undertake the counting or reviewing the votes in the meeting and disclose to the meeting as well as record in the minutes of the meeting.
- 1.11 The Company uses ballots for voting of important agenda such as related transaction, acquisition or disposal of assets etc. for transparency and accountability in case of the conflict that may occur subsequently.

2 The Equitable Treatment of Shareholders

The Company ensures the fair treatment among all shareholders. The Board of Directors has determined the policies as follows:

- 2.1 The Company shall send invitation letter to the meeting which includes sufficient information of all agenda to shareholders at least 21 days prior to the date of meeting in order to enable shareholders to thoroughly look through the information.
- 2.2 The right to vote at the meeting is according to the number of shares held by each shareholders where one share represents one vote. The Company grants the right to the shareholders who attend the meeting after the meeting has been started, to vote for the agenda which is under consideration and no resolution has been made yet, and the said person is deemed to constitute a quorum of the meeting for the said agenda and vote.
- 2.3 In election of directors to replace those retiring, the Company has a policy that shareholders may vote individually for a director in order to allow shareholders to select the person they want. The Company also provides adequate details of each candidate for consideration of shareholders.
- 2.4 The Company enables minor shareholders holding share not less than 5% of the paid-up capital for not less than 12 months, to agenda for the annual general meeting of shareholders, propose list of candidates for directors through email or fax to the Company Secretary.
- 2.5 The Company determines its policy to prevent insider trading of relating persons which include directors, senior executives and staff involved with the Company's information (spouse and minor child of the said person as well), and to prohibit the said persons from disposal or acquisition of the Company's securities within 1 month before the disclosure of quarterly and yearly financial statement to the public. The Board of Directors and Management report the changes of shareholding to the Board of Directors' meeting by adding as an agenda in each quarterly meeting.

- 2.6 The Company determines its policy on conflict of interest based on the concept that any decision of personnel from all levels which concerns the business operation must be for the best benefit of the Company. And it is the duties of all employees to avoid involving in financial issue and/or relationship with external party which may cause the loss of Company's benefit, conflict of interest or to obstruct work performance. It is determined that the person relating to or involving with the considered transaction must inform the Company of their relation or involvement thereof and must not participate in consideration and has no power to approve for the said transaction. For such cases, everyone must adhere to the principles and there will be no additional or special terms applied.
- 2.7 The Company allowed shareholders to register at least two hours in advance on the day of shareholders' meeting, and allowed independent inquiries for shareholders.
- 2.8 For convenience, shareholders who cannot attend the meeting in person may assign any person or at least 1 independent director to attend the meeting and vote on their behalf where name of the assigned person will be noticed in the invitation letter to the meeting.
- 2.9 All shareholders are treated equally regardless minor or major, Thai or foreign shareholder.
- 2.10 The registration of shareholders on the meeting date is done via scanning barcode which shows register number of each shareholder provided in the shareholder's register and proxy form for the convenient and fast procedure. To count result of each agenda, only ballot card which show 'disagree' and 'abstain' are collected and counted to deduct from the total amount of voting shareholders. The barcode system is used to collect and verify the result of the ballot from each vote rapidly and the result can be checked after the meeting.
- 2.11 The Company determines to have agenda about Directors' remuneration, to clarify to shareholders for approval per annum and to clarify the numbers and types of remuneration of each directors including fixed and variable remuneration.

3 The Role of Stakeholder

The Company is aware and realizes the rights of all stakeholders whether internal stakeholder which are shareholders, staff, and external stakeholders such as customers, trading partners, creditors, competitors, state sectors and other authorities including surrounding communities. To express appreciation to stakeholder that supporting us in competition and generating profit which is considered as long term value, the Company hence, has determines policies as follows:

3.1 Shareholders

- 1) The Company is always aware that shareholders are an owner of the business and the Company is committed to create a long term added value for them.
- 2) Perform their duties with integrity, make any decision based on principles of the profession prudence, and fairness to both major and minor shareholders for the best interest of shareholders as a whole.
- 3) Report status of the Company, operations result, financial statements, accounting and other information which are up-to-date and important in the format that is easy to understand, consistent and accurate.
- 4) Refrain from seeking benefit for their own and other persons by using any information of the Company which has not yet been disclosed to the public or execute any procedure in the manner that may cause conflict of interest to the Company.

3.2 Employees

- 1) Treat employees with politeness and pay individual respect to them.
- 2) Fairly treat employees through allowing for new opportunities, compensations, appointments, transfer and skills development.

- 3) Provide fair compensation, provident fund and social welfare to employees and prioritize the welfare of employees.
- 4) Maintain safety working condition to ensure health and assets safety of the employees.
- 5) Make any appointments, transfers, awards and punishments with bona fide, based on knowledge, skill and qualification of each employee.
- 6) The Company provides fair remuneration to employees based on their capabilities and performances, in order to ensure that our remuneration is consistent with the average of the industry. We also provide consistent welfare to employees among group companies.
- 7) Places importance on knowledge and skill development of employees by providing equal opportunities on regular basis with aim to develop ability and lead to professional level.
- 8) Listen to opinions and suggestions based on professional knowledge of the employees.
- 9) Comply with law and regulations relating to employees strictly.

3.3 Customers

- 1) Provide service with politeness, enthusiasm, readiness and sincere as if they are one of the family, creating reliability and accountability image of the service.
- 2) Keep information of customers, do not use such information for their own benefit or related person illegally or other illegal activity.
- 3) Provide customers with accurate, adequate, updated information about services of the Company without exaggerated advertising content which may misleads customers of quality or terms of services of the Company.
- 4) Provide advice on service efficiently and for the best interest of customers.

3.4 Business Partners and/or Creditors

- 1) Treats business partners and/or creditors with integrity and honesty, based on highest interest of the Company and fair mutual benefit. The Company avoids any situation that may cause conflict of interest, discusses the problems adheres to business relations.
- 2) Does not request or receive or pay for any interest which is illegal with business partners and/or creditors.
- 3) In case it is found that there is a request or accept or payment for any illegal interest, the information must be disclosed to business partners and/or creditors to seek for fair and rapid solution.
- 4) Comply with the agreed terms and conditions. Failure to do so, the Company will give advanced notice to creditors in order to find solution together.

3.5 Competitors

- 1) Does not violate the confidential or acknowledge trading secret of competitors with unfaithful method.
- 2) Follow the fair competition rules.
- 3) Refrain from seeking information, trading secret of competitors through dishonest or inappropriate method.
- 4) Does not damage reputation of competitors by accusing in negative way.

3.6 Society and Communities

The Company has a policy to conduct business which returns positive interest to economy, society and adhere to good citizen of the nation, comply with laws and applicable regulations strictly, engage in parts that will support and improve quality of society and community. In addition, the Company has set out policies to return profits to society by allocating a certain budget to support social activities that will generate advantages to society, community and create opportunities for environment.

3.7) Oversee the Safety and Health of Employees

The Company places an importance of maintaining working environment to ensure safety to lives and assets of employees regularly. Strictly adhering to labor law, the Company provide such as proper and correct arrangement of building, locations and equipment of working, necessary medical care. All employees are required to wear protective equipment whenever they work on the construction site. Furthermore, employees from all levels are encouraged to recognize the value and importance of exercise and take it as a habit. The Company provides health care program to its employees such as annual health checkup etc.

3.8 Environment

The Company has a policy to support different activities in connection with quality, hygiene and environment, including maintaining safe working condition to ensure health and assets safety of the employees. The Company also recognizes the importance of education and training for employees regarding environment and effective use of environment such as reduce the volume of garbage by reusing paper, file holders, campaign to switch off the lights during lunch break or switch off the lights which are not in use, taking stairs instead of lift, maintenance and improvement of equipment to be available for work to ensure the safety and create good working conditions. All these are contributed to the efficient development of employees as a whole.

3.9 Intellectual Property

The Company has set a clear policy not to undertake any action that will violate the intellectual property whether copyright, patents or trade mark, trading secret and other intellectual property as stipulated by law, for example, using licensed programs, where software is examined and installed by Information Technology Department to prevent using any illegal copies.

3.10 Respect to Law and Human Rights

- 1) Protest against any action that violates human right in any circumstances.
- 2) Respect and treat all stakeholders with fairness based on the pride of human rights, without discrimination of races, origins, sex, color, religion, physical condition, family background including to support the monitor of requirement concerning human rights within the Company.
- 3) Protest against any action that is aimed to seek benefit from human trafficking, use of child labor under the age as stipulated by labor law.
- 4) Support, respect and protect human rights by examining and control Company's business with external party that may be conducted in a way that supports and encourage violation of human rights. Refrain from any action that violates right of employees which is protected under the law.

4. **Disclosure and Transparency**

The Company recognizes the importance of accurate, complete and transparent disclosure of financial information and general information under the criteria set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand including important information which affects securities price of the Company and decision among investors and stakeholders.

The Company also prioritizes the importance of financial report as to clarify the financial status and actual operation result of the Company, based on correct accounting standard, completeness, punctuality and adequacy under the generally accepted accounting standards. The Company discloses the information about each directors, roles and duties of the Board of Directors and committee as well as remuneration of the Board of Directors and subcommittees in the Annual Report.

Code of Conduct of Abico Group

Abico Group conducts its business of manufacturing high quality products at reasonable prices with integrity and fairness, as well as aim to build good relations with all stakeholders and take responsibility for environment and communities.

To ensure that our operations are in accordance with the good corporate governance, and to have clear practice guidelines for the management and employees to comply with, Abico Group has formulated the Code of Conduct as follows:

1. To Customers
 - 1.1) Meet customers' satisfaction by providing standardized and qualified goods and services
 - 1.2) Disclose information about goods and services in full details and provide fair treatment to customers.
 - 1.3) Provide warranty for products and services under the appropriate requirements and maintain the reliability and trust among customers.
 - 1.4) Arrange procedures and system of contact channel in order that customers communicate with the Company conveniently, without delay

2. To Trading Partners and Creditors
 - 2.1) Conduct business with fairness, refrain from taking advantages. Pay respect and comply with the contractual requirements set forth.
 - 2.2) Shall not demand, accept or give any dishonest business gain with trading partners or creditors. Should there be any information of any dishonest benefit gain, the Company, without delay, shall discuss with a trading partner or creditor for fair resolution.
3. To Competitors
 - 3.1) Follow the rules of good competition
 - 3.2) Shall not seek confidential information of competitors by using an illegal approach.
 - 3.3) Shall not discredit competitors by defaming or undertake any action without fact and fairness.
4. To Shareholders
 - 4.1) Perform duties with honesty and integrity. Make any decision based on good faith, transparency and being beneficial to the Company and shareholders.
 - 4.2) Perform duties using knowledge and skills of management at fullest effort for the benefit of the Company and shareholders.
 - 4.3) Safeguard to ensure that none of the Company's assets will be unreasonably depreciated or lost.
 - 4.4) Report accurate status and operating results of the Company in full details.
 - 4.5) Shall not seek advantages for oneself or relating person by using any Company's information which has not been disclosed to the public.
 - 4.6) Shall not disclose confidential information of the Company to an external party, especially competitors.
 - 4.7) Shall not undertake any actions in an aspect that may cause conflict of interest with the Company.
5. To Society
 - 5.1) Shall not undertake any action that will causes damages to community, natural resources and environment.
 - 5.2) Support an activity that brings about benefits to societies and communities.
 - 5.3) Practice or control to ensure the compliance with law and regulations as stipulated by the regulatory agencies.
 - 5.4) Focus and place an importance on environmental care, taking into account the safety for the communities that located adjunct to the Company.

6. To Employees
 - 6.1) Perform duties with responsibility, honesty, devotion and patience for the advancement and stability of the Company and oneself.
 - 6.2) Perform duties with diligence, seek approach to develop and always improve work to remain at qualified efficiency.
 - 6.3) Strictly follow policies and articles of association
 - 6.4) Conserve and create to bring about the unity and harmony among employees, as to work and seek for the best way together as a team of robust efficiency.
 - 6.5) Use assets of the Company in a manner that will generate maximum benefits to the Company. Maintain assets from depreciation or loss. Not using assets of the Company for one's personal or others' benefit.
 - 6.6) Refrain from any action that is in violation of an intellectual property either of the Company or other person. Not using software piracy within the Company system.
 - 6.7) Keep trading partners' confidential information, safeguard to ensure that such confidential information will not be leaked or disclosed to an unrelated person which may cause damages to the Company.
 - 6.8) Pay attention to and undertake any action to safeguard the safety and good working condition.
 - 6.9) Report to a relevant authority and the Management of any wrongful or illegal actions occurred, including the possession or use of drugs within the Company.
 - 6.10) Shall not use one's duty or allow other persons to use one's duty to seek benefit for oneself or other persons in a wrongful way.
 - 6.11) Refrain from any actions that may cause damages to the image and reputation of the Company.
7. Between Employees (Supervisors, Subordinates and Colleagues)
 - 7.1) Help each other taking into consideration the benefit to work and working environment as a whole, pay respect to the right of the others.
 - 7.2) Supervisors shall conduct oneself as a respectful person among subordinates, comply with the policies and regulations strictly, be a good model for subordinates, and supervise subordinates adhering to principles and logics of integrity and morality.
 - 7.3) Subordinates shall treat one's supervisors with respect, and treat one's colleagues with helpful and friendly manner, refraining from discrediting one's supervisor and colleagues without fact.
 - 7.4) Shall not taking work of the other as one's own.

Audit Committee Report

The Audit Committee of Abico Holdings Public Company Limited is composed of 3 independent directors who are independent and qualified according to the Stock Exchange of Thailand's requirements. The Details are as follows:

- | | |
|--------------------------------|---------------------------------|
| 1. Mr. Khemadhat Sukonhasingha | Chairman of the Audit Committee |
| 2. Mr. Arnant Maiphum | Member of the Audit Committee |
| 3. Mr. Karn Punyacharoensin | Member of the Audit Committee |

In 2021, the Audit Committee held 4 meetings with certified auditors, the Internal Audit Office, and Company executives. The Audit Committee performed its duties in accordance with the policies of the Board of Directors and the assigned responsibilities which were in accordance with the rules and regulations of the Stock Exchange of Thailand. The summary of the operating performance of the Audit Committee is as follows:

1. Reviewed the internal control system and supervised the implementation of the said system, as well as promoted and encouraged internal audit operations to be in line with international standards. It was found that the Company had an appropriate internal control system and sufficient efficiency and no significant deficiencies that may cause material effects were found.
2. Reviewed the risk management process and made useful recommendations to reduce the risk to an acceptable level.
3. Reviewed compliance with regulations and laws on securities and exchange including other laws related and found that the Company had complied with all the requirements and laws related.
4. Considered disclosing information on connected transactions or transactions that may have conflicts of interest with accuracy, completeness, and in accordance with the law and market requirements.
5. Assessed the auditor's independence and considered nominating, appointing, and proposing the remuneration of the Company's auditor.

The Audit Committee considered that the company holds the policy of good corporate governance as an important priority. There is a sufficiently efficient internal control system. There are no significant flaws. There is adequate and appropriate risk management. Connected transactions that may cause conflicts of interest are fully disclosed. The Company has complied with the requirements and according to various laws related. The Company's financial statements have been prepared in accordance with generally accepted accounting principles and the disclosure of information is adequate, complete, and reliable.

On behalf of the Audit Committee

---Sign---

(Mr. Khemadhat Sukonhasingha)

Chairman of the Audit Committee

February 25, 2022