



**ANNUAL REPORT 2021**

**FORM 56-1**

**ONE REPORT**

# Big Kitchen of the world



**Plant Based  
Ready Meal**  
Healthy

**Food and Drinks Public Company Limited**  
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## Board of Directors Report

Dear Shareholders,

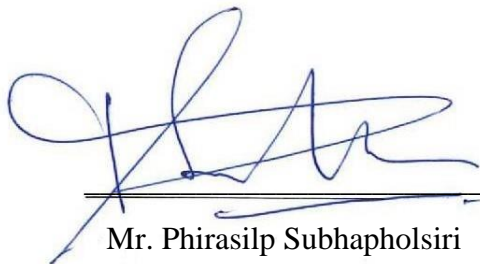
In 2021, the coronavirus pandemic 2019 continued to have a major impact on the country's overall economy. Container shortage remained the main obstacle for exports. While the future looks challenging, the Company has produced fairly good performance results. In 2021 we generated net profit of 9.29 million baht, including profit of 4.2 million baht from investments in an associated company. The earnings per share (EPS) and book value per share (BVPS) as of December 31, 2021 stood at 0.53 baht and 66.77 baht respectively.

Overseas sales declined by 15.84% while domestic sales declined by 6.31%, resulting in total sales of 621 million baht--a decrease of 10.5 % compared to the previous year level. The primary reason for the decrease in total sales was the container problems cited above.

For 2022, global economic conditions remain uncertain. In particular, the war between Russia and Ukraine has resulted in oil price hikes and potential recessionary impact. The Company has been monitoring the situation closely, reviewing our marketing strategy and production focuses as well product development. This includes finding measures to reduce production costs and other costs to maintain competitiveness. We have been able to maintain a core customer base with good relationships and have reached out to build relationships with new customers. We continue to place strong emphasis on research and development in order to be competitive in the market.

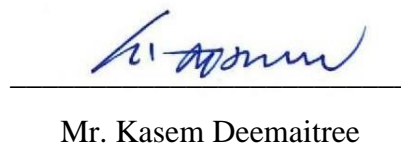
The board of directors, management and employees remain fully committed to offer customers the best quality that meets international standards with punctual deliveries. The company continues to have the support and trust of customers, government agencies, financial institutions, suppliers of raw materials including the shareholders.

The Board of Directors would like to take this opportunity to express our sincere appreciation to all.



Mr. Phirasilp Subhapholsiri

Chairman



Mr. Kasem Deemaitree

Chief Executive Officer

## Part 1 Business Operations and Result

### 1. Company group structure and operations

#### 1.1 Policy and Overview of the Business

Food and Drinks Public Co., Ltd. was established in 1985. The Company's main business is manufacturing food and beverage according to customers' requirement under customers' brands, and company's own brand products. The Company's business involved selling to both domestic market and export to more than 10 countries such as Australia, Japan, United Kingdom, USA, Africa and countries in AEC; including indirect export through companies in Thailand. The export ratio to domestic market is equal to 62.0% : 38.0% in 2021.

##### 1.1.1 Vision, objectives, goals and strategies

**Vision** is to be a leading company in the production and distribution of food and beverage products in accordance with international standards.

##### **Mission**

- To create high international standards quality products into domestic and international markets.
- Managed by efficient and effective management system under good supervision.
- Steady business commitment for continuous growth and sustainable shareholder yield.
- Build good relationships with stakeholders.
- Development of communities and environment care.

##### 1.1.2 Major changes and developments

The Company has continually developed since its inception to create sustainable stability.

In 1993, became public company and listed in the Stock Exchange of Thailand in 1994 with the registered capital of Baht 125 million.

In 2004, The Company has expanded the production line to include beverage in PET bottles; and have a joint venture with Hon Chuan (Thailand) Company Limited to set up Hon Chuan FD Packaging Company Limited in which Food and Drinks Public Company Limited hold 35% for the production of plastic bottles, caps and shrink films.

In 2012, rubber trees were planted in investment property land to leverage the assets that the Company has to increase its value by investing more than Baht 14 million. The investment will be increased annually by approximately Baht 4 million. Start earnings in 2021

In 2013, The Company developed beverage products under brand "ZUMMER" is on the market for 2 types: plum juice and honey-flavored aloe vera juice with lemon, with plum juice containing plum meat and aloe vera juice contain aloe vera bits with honey and lime.

In 2018, The Company has registered capital Baht 176,243,080 with 17,624,308 shares and the paid up capital was Baht 176,243,080. The result has strengthened The Company's financial position.

In 2019, The Company has invested in the expansion of ready to eat production line for frozen and chill to support the market expansion.

In 2021, expanding the production lineup by adding ready-to-cook and plant based protein products, which are new products that are growing and popular in both domestic and export markets, focusing on developing into ready-to-eat products.

**1.1.3 Is the proceeds of fundraising intended?**

The company has no fundraising.

**1.1.4 Obligations made by the Company in the Securities Offering Statement and/or the Terms of Authorization of the Office (if any) and/or conditions of receipt of securities of set (if any)**

None

**1.1.5 Company Information as follows**

Company Name	Food and Drinks Public Company Limited
Registration Number	0107536001192 (Formerly “Public Company193”)
Head Office	695/1 Banbung – Bankai Rd. Klongkew, Banbung Chonburi 20220 Tel : 0-3820-1219-21 Fax : 0-3820-1020
Bangkok Office	15fl. Regent House Building 183 Rajdamri Rd. Lumpini, Patumwan, Bangkok 10330 Tel : 0-2253-5232-3 Fax : 0-2070-0733
Homepage	<a href="http://www.foodanddrinks.co.th">www.foodanddrinks.co.th</a>
Business Type	The manufacture and distribution of foods products, beverages, frozen foods for export and local markets
Registered Shares	17,624,308 Ordinary shares 10 par value Registered capital at Baht 176,243,080
Shares issued and fully paid up	17,624,308 Ordinary shares 10 par value Registered capital at Baht 176,243,080



## 1.2 The nature of the Company's business

The nature of the Company's business is to produce and sell processed foods for domestic and export sales, since the development of products and distribution is not separated into product lines, the business segment has been divided into domestic and exported due to the main differences in the currency used and the requirements of different countries and partners.

### 1.2.1 Revenue structure by product line/business group

	<u>2019</u>		<u>2020</u>		<u>2021</u>	
	Million Baht	%	Million Baht	%	Million Baht	%
Export sales	437.2	59.7	457.6	65.9	385.1	62.0
Domestic sales	295.1	40.3	237.0	34.1	236.3	38.0
Total sales	<u>732.3</u>	<u>100.0</u>	<u>694.6</u>	<u>100.0</u>	<u>621.4</u>	<u>100.0</u>
Sharing profit (loss) from investment	8.2		8.1		4.8	

### 1.2.2 Product information

Company's business policy is to concentrate mainly in product quality. Most of The Company's product is Premium Grade made from natural raw material. Therefore most of our export customer is high ended – medium customer. Most of customer has long term relationship more than decade and have a good relationship with The Company because they are confident in product quality.

Company's main products are fruit, vegetable, curry paste, curry sauce, spices, cooking sauce, fruit and vegetable beverages. This includes mixing many of above ingredients to make a new product which is company's strategy to reduce the risk on marketing and raw material.

#### (1) Characteristics of products and services and innovation development

The detail of company's products for both export and local markets are as follows:



- Fruits/vegetables/spices and food in sealed containers

Products consist of mango, aloe vera, spices such as lemongrass, peppers, coriander, instant foods such as curry paste and ready meals packed in glass jar, retort pouch or can. The ingredients are combined with vegetables, fruits, brine and vinegar, syrup or water.

- Juices and Beverage

Products are fruit and vegetable juices, and ready-to-drink tea packed in can or PET bottle. Some raw materials are from fresh fruits and vegetables used in above products.

- Ready to eat

Products are food that the consumers can eat right after heating in the microwaves. There is chilled and frozen product such as rice with chicken basil stir fried, minced chicken with hot yellow curry paste, steamed glutinous rice in banana leaf, papaya salad. By developed and sold more than 20 menus in 2014, there have been development in more categories and types of food continuously more than 200 menus. The company has added plant-based protein products to this group of products in 2021 as an alternative to consumers.

**(2)Market situation and competition**

The market of The Company is for both export and local. This is not restricted to product categories. In order to receive products to international markets, the Company uses product development and marketing strategies with partners to carry out production in accordance with the rules of the country, meeting the requirements and needs of the partners, which will give the partner the utmost confidence that the product meets international standards, ready for competitive and well received by customers. As for domestic market, the Company also develops products manufactured under the Company's trademarks, and under the same standards and quality of production as for export. Also maintains the same policy for co-packing products for customers.



## (a) Market of important products and services

### Export

Export market covers all continents with more than 10 countries such as Australia (36.3%) as the biggest market, and follow by countries in AEC (22.8%), Japan (17.8%), European Union (14.2%), the United States of America (5.9%), Taiwan (2.0%), and South Africa (1.0%).

Items shipped to the main market include: Products in all product segments that the Company produces, and the Company has consistently put in place policies that will be distributed to other markets, focusing on markets that can support all kinds of products/products of the Company, to diversify and increase sales.

The policy of international marketing is done by working with trading companies and attending local and oversea exhibitions, as well as online marketing.

For exports, the customer's characteristics are divided into 3 categories: broker or importer agent, distributor, and brand owner. Brokered customers are intermediaries to help brand owners/distributors, to find a manufacturer that produces products that meets the requirements and receives commission (from the brand owner or manufacturer, depending on the agreement) as compensation. Customers who are distributors and brand owners hire the manufacturer directly to produce the product, which the manufacturer may have to pay the commission to the introductory company, distributor, or brand owner.

Currently, the company has exported to more than 10 countries, the main markets for its products are Australia, AEC countries (Cambodia, Singapore, Malaysia), Japan, European countries (UK, Netherlands), United States of American, Taiwan and South Africa.



## Sales for year 2019 – 2021 by countries

Country	(Unit : Million Baht)		
	2562	2563	2564
AEC countries	112.1	73.0	88.0
European countries	47.0	70.4	54.7
Taiwan	14.4	13.5	7.8
Japan	61.6	76.7	68.4
Australia	172.7	193.5	139.7
South Africa	9.2	6.7	4.0
United States of American	25.6	22.6	22.5
Others	-	1.2	-
Domestic	289.7	237.0	236.3
<b>Total</b>	<b>732.3</b>	<b>694.6</b>	<b>621.4</b>

Domestic

The company has been expanding its domestic market since 2005, investing in machinery and buildings for the production of beverage products with a focus on the domestic market and partial exports. Due to international customers who are interested in ready-to-drink tea and ready-to-drink juice products.

In 2013, the Company has relaunched ready-to-drink products with packaging under brand "Zummer", own brand, the 2 products were plum juice with bits, and aloe vera in lime juice with honey. The aloe vera juice has aloe vera pulp and fresh lime juice and honey. New products are periodically developed to market. In addition, the Company registers trademarks, Zummer brands and provides copyright notices, copyrighted types of work, arts "PLUM-MU" and "ALOE-KU", which are Mascot for new products.



In 2014, The Company has developed ready-to-eat products to market under company's brand name, "Besto", and co-packing under customers' brands.

In 2019, The Company has expanded the production capacity of ready-to-eat product to support the market that has been expanding continuously.

In 2020, The Company has created new products under the F&D brand, distributed within leading department stores and convenience stores in the country.



The Company has been emphasized in medium to high market, which is the group of customers who understand the importance of quality, which is strength of The Company. From the beginning, The Company will research and develop process, packaging, and technology continuously such that the products will meet the international quality requirement and satisfy customers' requirement and demand on COVID-19 pandemic period.

With such development, The Company considers the safety and health of the consumers as the major consideration. Therefore, The Company has been certified for GMP (Good Manufacturing Practice), HACCP (Hazard Analysis and Critical Control Point), and BRC (Global Standard for Food safety). The certification provides assurance to customers that The Company has the standard and control in place. Importantly, The Company also maintains good relationship with customers by maintaining its quality standard with on time delivery, while cooperating in developing new products.

**(b) Competition**

Competition in the fruits and vegetables processing industry is very high from both domestic and foreign countries included uncertainly status of raw materials so our factory decreases production volume of this product group because can't competitive especially with competitor from foreign countries as China.

Although Thailand is known for its quality and standard, it has the weakness in price competitiveness. This is caused by low yield per acres from the farm, and low quality of the crops, agricultural chemical residues, as well as minimum wage and benefit that constantly increases according to government policy. Therefore, production cost in Thailand is higher than the competitor countries in the same region such as China, Vietnam, and Indonesia.

For spice and condiments market, the competition is also considered high since there are many domestic manufacturers. The difference is in adjusting the formulations and process to meet customers' requirement. More importantly, the quality of the factory is also the main factor.

Beverages in every sector have high competition, especially in the read-to-drink market. The competition is higher in the domestic market with launching of new products, and in different segment. At present, the competition is targeting fruit and vegetables juices and tea that are good for health. The Company has also launched products in the same category for plum juice and aloe vera juice. The concept is not only healthy but also delicious and natural. The product was launched in May 2013 at Thaifex, and have been exporting to AEC and Japan under Zumner brand. The Company will continue to develop new products to support the brand.

Due to more competitions from other countries, Thailand has lost its market share to other countries. In order for The Company to maintain its market share, it has to maintain high standard and service. One of them is to have the HACCP certification, which is highly regarded by international quality requirement. The Company has been certified by TQCSI certification from Australia.

Competition is common in business, and the Company will use strategies to cooperate with customers in developing products in time to meet demand. Standards in accordance with the requirements in accordance with the development, including compliance with ethics and environmental requirements.

**(3)Sourcing products and services**

The factory has production capacity of about 60,000 metric tons. The production policy is mainly manufacture according to customers' orders, except those that are seasonal. Then, marketing will consider the orders, supply of raw materials, and market situation.

The Company's main supply materials are fruits, vegetables, cans, jars, lids, ingredients, cartons, and labels. The value of the materials can be divided as follow:

<b>Material Purchasing for 2019-2021</b>						
	<u>2019</u>		<u>2020</u>		<u>2021</u>	
	Million Baht	%	Million Baht	%	Million Baht	%
Raw material – Local	396.7	96.4	349.7	96.3	336.5	96.4
Raw material – Import	14.9	3.6	13.6	3.7	12.7	3.6
<b>Total</b>	<b>411.6</b>	<b>100.0</b>	<b>363.3</b>	<b>100.0</b>	<b>349.2</b>	<b>100.0</b>

Raw materials are purchased either through farmers directly or via middleman. Location of material supplies depend on the plantation area. For example, aloe vera is from upper South of Thailand. The quantity and price of raw materials will depend on the weather and demand of the market.

Packaging such as boxes, labels, bottles, lids and cans, part of it has been placed from 5-10 domestic manufacturers, and some of them imported from Philippines and Europe.

Chemicals and other ingredients do not have a high value. They are also purchased from both local companies and some are imported.

**(4)Operating assets**

The Company operating assets as follows:

Assets	Ownership of assets	Pricing policy	Net book value	Collateralised
Land	Own	Fair value	1,067.0 Million baht	Loan collateralised
Building	Own	Cost deduct Depreciation	70.0 Million baht	Partial collateralized
Machinery	Own	Cost deduct Depreciation	31.0 Million baht	Partial collateralized

**(a) Work that has not yet been delivered, only project work or high-value workpieces, and takes time to deliver.**

Since the company's products are consumer goods, there is no contract as a project. The contract agreement with the customer will be in the period of 1-3 months, except for seasonal items that are contracted annually with the customer.

## 1.3 Shareholding structure

### 1.3.1 Overview of the business operations of the associated company

In 2004 Food and Drinks Public Co., Ltd. has set up joint venture with Hon Chuan (Thailand) Co., Ltd. to set up Hon Chuan FD Packaging Co., Ltd. for production of plastic PET bottles, and shrink film labels. The registered capital was 194,865,000 Baht. Hon Chuan (Thailand) Co., Ltd. will be responsible for the production and distribution of the packaging materials of bottles, caps and shrink films. The Company has 35% shares.

Hon Chuan FD Packaging Co., Ltd. has responsibility in production and marketing because Hon Chuan (Thailand) Co., Ltd. is the subsidiary company of Hon Chuan Co., Ltd. which is the leading company in Taiwan that have expertise in production and selling plastic packaging for a long time.

### 1.3.2 Persons who may have conflicts of interest hold more than 10% of the company's shares in subsidiaries or associates combined.

None

### 1.3.3 Relationship with the Business Group of Major Shareholders

None

### 1.3.4 Shareholders

#### (1) Major shareholders

##### (a) List of top 10 major Shareholders as of 31 December 2021

	Name of Shareholder	Shares	%	Director	Remarks
1	Mr. Kasem Deemitree	3,302,400	18.74	Director	
2	Ms. Huai Hui Lee	2,030,640	11.52	Director	
3	JW International Worldwide Group	1,749,120	9.92	Representative director Mr. Wong Chun Num	*
4	Mr. Huai Hsin Lee	1,743,375	9.89	Director	
5	Kawasho Food Corporation	950,000	5.39	Representative director Mr. Aditep Nontratip	*
6	Mr. Woravich Deemitree	915,720	5.20		
7	Mrs. Chintana Asdornnithee	806,160	4.57	Director	
8	Iamsakulrat co., ltd.	581,000	3.30		
9	Ms. Rungrak Deemitree	510,720	2.90		
10	Mr. Udom Karoonkornsakul	470,025	2.67	Director	

#### Remarks

\* - JW International Worldwide Group Ltd. And Kawasho Foods Corporation are registered company, and do not have the information of Ultimate shareholders to disclose.

#### (b) Major shareholders who, in circumstances, influence. Significantly formulate the company's policies, management or operations.

Deemaitree Group are 3 directors and executive directors. Mrs. Chintana Asdornnithee Group is 1 director and executive director.

#### (2) For holding company provide list of shareholders of subsidiaries of the main business

None

#### (3) Major shareholders' agreements which affecting the issuance and offering of securities or the management of the Company and explains the important matters affecting Operation

None



## 1.4 Share capital issued and paid up

The Company has capital registered in the amount of Baht 176.2 million, and paid up capital of Baht 176.2 million for total of 17.6 million shares at Baht 10 per share.

### 1.4.1 Registered Capital/Paid-up Capital/Number of Shares

The Company's shareholder structure as of 31 December 2021 is as follows:

Description	No. of shares	Amount (Baht)	%
Registered capital	17,624,308	176,243,080	
Paid up capital as at 31 December 2020	17,624,308	176,243,080	100.00
- Top 10 Major shareholders	13,059,160	130,591,600	74.10
- Other shareholders	4,565,148	45,651,480	25.90

### 1.4.2 Other types of shares with different rights or conditions than ordinary shares, such as preferred shares, describe the value and rights or conditions that differ from ordinary shares.

None

### 1.4.3 In the event that the Company's shares or convertible securities are underlying securities in the issuance of investment units of mutual funds for foreign investors (Thai Trust Fund) and certificates of interest arising from Thai underlying securities (NVDR), specify the shares and shares supporting the convertible securities that are such underlying securities, as well as explain the impact on the voting rights of shareholders due to the mutual fund's failure or NVDR issuer to vote at the shareholders' meeting.

None

## 1.5 Issuance of other securities

### 1.5.1 In case of convertible securities

None

### 1.5.2 In case of debt securities

None

## 1.6 Dividend Payment Policy

The Company has the policy of paying dividend annually for the amount of not less than 60% of net profit after tax and statutory reserve, and reserve for future investments. When the Board of Directors has the suggestion to pay the annual dividend, the matter will be presented to the Shareholders for approval unless it is interim dividend payment. Then, the Board of Directors can approve the payment and report to the shareholders at the next meeting.

<b>Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Earnings per share (Baht)	0.08	1.38	0.53
Dividend per share	-	-	-
Dividend / Net profit (%)	0.0%	0.0%	0.0%*

\* It will be approved at the Annual General Meeting of Shareholders No. 1/2022 on April 28, 2022.

## 2 Risk Management

The Company has implemented various risk management strategies and periodically monitor the impact of events that may pose a risk to the business operations of the company. In order to ensure prudent and effective risk management, a risk management committee was set up. It consists of executive directors and management who are involved in the analysis of various risk factors, and assess the risks that may arise. In addition, the Risk Management Committee will report to the Audit Committee and the Board of Directors for acknowledgment and consideration at least every quarter. The risks that have significant influence on the company are as follows:

### 2.1 Risk Management Policy

The Company operates its business under acceptable risk to achieve the company's objectives and meet the expectations of the shareholders. This is done by designating risk management as part of the preparation of the annual business plan, day-to-day administration and decision-making, including project management processes.

All management and employees of the company are risk owners, and are responsible for identifying and assessing the risks of the department in which they are responsible, including setting appropriate measures to manage such risks.

All risks that affect the company's goals must be handled as follows:

- Identify the risk on time.
- Assessing the chances of the risk and the effects if the situation arises.
- Manage risks according to the protocol set by the company, bearing in mind related costs and benefits from the risk management.
- Follow up to make sure that the risk has been effectively managed.

Risks can also affect the company in various ways. Risks that are considered high and very high must be reported to the Risk Management Committee and the board of directors, including effective risk management strategies.

## 2.2 Risk factors for the company

### 2.2.1 Risks to the Company's business or group of companies

#### Strategy Risks

##### (1) Vision risks

Presently the company has designated the vision to create a direction for the organization, approved by the board of directors as follows.

**Vision:** To be the leading manufacturer and retailer of food and drink products with world standards.

##### (2) Business model risk

The company faces the risk of its business model. Due to the intense market competition, in the past the company had suffered continuous losses for 5 years. The company is currently considering a suitable business model that can generate reasonable profits and returns to shareholders and stakeholders. The Company has restructured its management to reduce business risks as well as continuously improve its plants to maintain and increase production efficiency, thus enabling the company to start making a profit from 2019.

##### (3) Risk of sustainable business growth

The Company has sustained losses for many years until 2019. As a result, the company has been profitable in 2020 and has continued to make profits to date.

##### (4) Reputation risk

The Company is well aware of the company's reputational risks that may cause investors/shareholders to have no confidence in the Company. Whether it is caused by goods, business ethics, and may include personal actions of the Board of Directors and employees.

To reassure investors and shareholders. The Board of Directors has emphasized the importance of this risk. As part of its performance, the Company has been able to start making profits continuously from 2019.

## **Operation Risk**

### **(1) Market Risk**

The company's main business is the manufacturing of products according to the requirements of the customer, so the income of the company therefore, it varies mainly according to the number of orders and the success of the customer's business. This is a factor that the company cannot control, although the company has laid out a risk management plan through co-analysis and research of customer marketing strategies. This includes organizing sales promotions and co-develop new products that are unique in the market. This helps ensure that the customer can run a strong business and lower chances of switching over to purchasing products from our competitors.

In addition, to prevent volatility in international markets, whether from the global economic crisis, trade barriers of the European Union and others, as well as to increase domestic market share, the company expanded its production capacity. As a result, the proportion of the domestic market is growing steadily.

In 2021, the Company has a proportional exports per domestic sale were 62.0% to 38.0%, due to the impact of COVID-19, which led to a decline in consumers' incomes, and less spending, as well as lockdown measures that consumers cannot travel to shop easily.

### **(2) Supply chain risk management**

- **Ability to control cost Risk**

The company has a wide range of customers and many products, making it difficult to control costs because when there are many kinds of products and each product there is not enough order volume. As a result, production is not as productive as it should be, which affects higher costs. Therefore, the company focuses on developing products to be of high quality and popularity to generate sales for that type of product, so that there is enough order volume to maximize production efficiency. If any item does not have enough orders, the customer's purchase will be considered to cancel the sale and develop new replacement products, while also adjusting the machine to be efficient for use, as well as managing the staffing capacity to suit the workload.

- **Procurement Risk**

Since the raw materials used in production are agricultural raw materials that are cultivated mainly in the country. The company has selected from the products of farmers in different regions across Thailand, therefore there is uncertainty in price, quantity and quality which will mainly vary according to the climate conditions. As a result, the company has been inevitably affected. In the past, the management has laid down guidelines for the hedging of raw material risks, as follows.

- Diversification by increasing product diversity.
- Sales planning including the selling price in accordance with the production of raw materials, particularly seasonal crops.

- Close coordination with farmers or cooperatives, government agencies and buyer groups in order to be able to prepare a reserve plan for raw materials that meets the needs, and achieve the quality in accordance with company standards.
- Planning with vendors to determine the timing and price of the purchase to suit the season.
- Focusing on the society development, especially by organizing activities to promote sustainable use of agricultural landscapes and continuously educating farmers. This will benefit the quality and yield in the long run. From continuous management of raw material risks, the company has been able to manage the impact from raw materials very well.

- Production Risk

The variety of products according to customer specifications may lead to inefficient production (Production Efficiency).

The Company reduced risks by improving production with a focus on production efficiency. This was achieved by reduces the amount of goods lost during production, reduce overtime to control production efficiency and control output according to the production plan.

(3) Human Resources Risk

Due to the expansion in a variety of businesses, it is necessary to manage personnel management effectively. Recruiting and developing personnel suitable for the job extension is a challenge for the company. However, the management needs to consider restructuring to suit the current and future business models. To reduce this risk and ensure the sustainable development of the company, the company will recruit appropriate personnel for this matter.

(4) Succession Risk

The Company is working on a development plan to replace various positions. The objective is to prepare manpower both in terms of quality and quantity, create continuity in management that is appropriate to select and prepare the right personnel for the main positions in the company. This includes the top management, including pivotal positions in the management structure or business operation, or positions with specific skills and business expertise.

The Company appointed the Nomination and Remuneration Committee, in order to prepare for the selection process and recruiting suitable individuals to take the main positions of the company. This will help strengthen a sustainable business for the company in the future.

### **Information System Risk**

The company set up a computer network system to support operations in meeting business goals. Operators must use and maintain the equipment in good working order at all times. Managers and employees must not download or upload any information, websites, or anything unrelated to the company's work or business. The network administrators regularly provide training on how to use the computer system correctly and safely for employees. In addition, a security

monitoring system has been set up as well to prevent hackers or computer virus from infiltrating the system.

### **Financial Risk**

#### **(1) Liquidity**

The Company closely monitors, inquires and assesses the risks of debt repayment from customers. As a result, The Company has no problems with overdue receivables, as well as finding suppliers of raw materials, new suppliers that can provide a better repayment period. As a result, The Company can manage its liquidity to a certain threshold. It has no impact on The Company's financial liquidity.

#### **(2) Interest Rate Risk**

The Company's exposure to interest rate risk relates primarily to its deposit at financial institutions, current investment, guaranteed bank deposit, bank overdrafts and short-term loans, long-term loan and liabilities lease. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Company monitors trends of international monetary markets and manage risk by managing major costs of capital toward fixed and consistent interest rate.

#### **(3) Foreign exchange risk**

Due to the company focus on using raw materials from domestic production mainly to support farmers in every region to have stable self-supporting income, the main cost and expense of the company is mostly in the form of the Baht currency. However regarding the Baht's value against the US dollar, there is an impact on the company in relation to the trading of goods in foreign currencies. Therefore, the Company considered monitoring the exchange rate and entering into exchange rate risk management transactions to reduce the risk..

#### **(4) Credit Risk to Trade Receivables**

The company is exposed to credit risk to trade accounts receivable. The Executive Committee controls this risk by establishing appropriate credit control policies and procedures, so the company does not expect any significant losses from credit granting. In addition, the company's credit facilities are not concentrated, because of the diverse customer base.

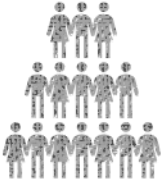
### **Compliance Risk**

The Company is obliged to comply with the laws and regulations of various government agencies more than 10 ministries as well as regulations of the Securities and Exchange Commission of Thailand including accounting standards which update. Therefore, the Company has risks arising from monitoring and studying the requirements to be carried out in time for enforcement purposes.

In addition to domestic laws and regulations, the Company must also comply with foreign requirements for its partner countries.

Therefore, it is challenging to keep up with changes in laws and regulations and adjust the company's practices in time.

The Company will monitor notifications of changed or emerging regulatory information, including communication systems for stakeholders to prepare for support.



## Environmental, Social and Corporate Governance Risks

### (1) Environment

Environmental problems refer to waste or foreign matter that contaminate and cause harm to the environment, consisting of pollution from community sources and pollution from industrial sources, including water pollution, air pollution, noise pollution, waste, etc.

#### (a) Water pollution

The Company has taken into account the responsibility to the environment and has assessed the risks for water priority issues including wastewater and the impact of water scarcity.

The Company has reduced the risk of impact by assigning a team to monitor closely wastewater data and treatments and strictly comply with the requirements of the Department of Industrial Works.

#### (b) Air Pollution

The company has adapted the fuel used in the production from husk to NGV gas, allowing it to reduce air pollution.

#### (c) Noise Pollution

The company has no issues with noise pollution because The Company is in food production industry and the production facility is fully enclosed.

#### (d) Waste

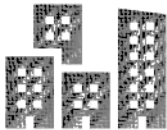
The company divides waste management in various forms according to the nature of the waste, such as fresh waste, which is used to make compost, plastic waste and paper will be sold for recycling.

### (2) Occupational Health and Safety

The company has taken into account safety and occupational health, which is an important basic foundation. The company has thus created infrastructure with high levels of security, safety and suitable environment, complying with relevant regulations and laws to enable present employees to work happily, enjoy good hygiene and have high work safety.

The Company manages risks by:

- Announcing policies on safety, occupational health and working environment No. 1 on 15 May 2015.
- Creating a culture and safety awareness for all employees through various forms of public relations.
- Establishing a work safety committee.
- Providing professional safety officer in the factory.
- Training of safety officers and supervisors.
- Providing life insurance for employees (group insurance).
- The company provides Compensation Fund in the event of an accident at work.





### (3) Social aspect

Respect for the dignity, fundamental rights and liberties, as well as treating all persons with equality are all fundamental ethics for work and coexistence. The company has given importance to the above issues and has reduced the risk by:

The Company has reduced its risk by:

- The company has announced a human rights policy. It was promulgated on February 7, 2020 and followed labor requirements, whether with Thai law or human rights requirements.
- There is training before commencing work to inform employees of their right.
- The company has channels for complaints including a process for receiving complaints both inside and outside the organization.
- The company has audits under SEDEX's SMETA standard (European standard).

### (4) Corruption

The company is aware of anti-corruption measures and corruption, which is detrimental to the economic growth of the country. The company managed the risk by announcing the anti-corruption and bribery policy on March 11, 2010, with the policy being announced and reviewed every year.

### **Risk of Natural Disasters**

The factory is located in Ban Bueng district in Chonburi province, there is a low risk of natural disasters from flooding. However if partners of the company suffers from natural disasters, it could affect the Company's operation, therefore the Company has joined with customers works on a backup plan to prevent production problems. As well as purchasing insurance policies for unavoidable events which covers all natural disasters: storms, floods, earthquakes, lightning strikes, and fires, explosions.

### **Emerging risks**

With current conditions, there may be risks of re-incidence at any time, so the Company must be prepared to deal with any risks that arise at any time.

For 2021, the risk of the COVID-19 pandemic remains more persistent and severe than in 2020, affecting global economy. It also affects the transportation system, affecting the company, divided into 2 parts as follows:

- (1) Decreased sales revenue, but the Company is still able to make a profit.
- (2) Container shortage

The Company is expected to continue through 2022, and the company has been affected by the inability to deliver goods in due course, but not affected by higher costs due to the cost of the ship at the expense of customers.

In early 2022, there was a state of war between Russia and Ukraine. In the short term, the impact is higher fuel costs. This increases the cost accordingly. However, the company has been closely monitoring and analyzing the situation, whether there will be long-term consequences.

**2.2.2 Risks to securities holders' investments**

The Company also had a cumulative loss of Baht 54.1 million. As a result, dividends cannot be considered.

**2.2.3 Risks to Foreign Securities Investment**

The Company does not invest in foreign securities.

Of all risk assessments, The Company considers that despite the risks, it is at a level that can still be managed. It has not had a serious impact on the company's business.

### 3 Driving Business for Sustainability

#### 3.1 Policy and Sustainability Management Goals

The company has been managing and operating under good corporate governance and appropriate risk management. It strives in being the leading company in food and beverage production, while caring for the environment and being responsible for society. It also provides equal and fair treatment to stakeholders, with respect for employees' rights and human rights protection. The company has announced a policy of social responsibility, including the business ethics policy, anti-corruption and bribery policy, along with establishing good practice. All company management and employees have been informed and are required to follow these guidelines.

The company produces high quality products that are safe for consumer, along with social and environmental responsibility. The company has joined the CSR-DIW set up by Department of Labor, Ministry of Industry to study and development factory management system. The company was able to follow the guidelines and standards, and received the certificate together with the community on January 25, 2011. This was beneficial to the economic and social drive of the country and helps the company to achieve sustainable growth.

The Company has participated in projects to be able to meet the company's sustainability intentions by implementing BCG (Bio Circular Green Economy) work to improve work while reducing fossil fuel energy to solar energy with the intention of reducing carbon footprint levels both from production lines and planting trees on company land that are not used as production areas.



## **3.2 Management Chain Effects to Stakeholders in the Business Value Chain**

### **3.2.1 Business Value Chain**

The company manages a chain of businesses ranging from farmers to raw materials vendors, factory, transportation as well as customers to be efficient. By recognizing the importance of creating sustainable value for all stakeholders, creating value and maintaining quality in accordance with international standards in order to produce food and beverages to meet stakeholder expectations, as well as conforming to international practices.

### **3.2.2 Stakeholder Analysis in the Business Value Chain**

The company realizes the importance of creating sustainable value for all stakeholders. In 2020, it began an analysis of the impact on stakeholders in the business value chain from upstream to downstream, creating value by producing food and beverages with international standards.

Stakeholders	Expectations	Company Response
Farmers, Middlemen, Creditors	Fair and sustainable joint business practices.	Create good relationship Operate with integrity on the basis fair and equitable business rules and conditions for creditors and business partners under the business operations as required by law.
Customers	Receive good products on time Fair and sustainable business practice.	Create good relationship International standard production and on-time delivery Satisfaction survey Company receives GMP HACCP BRC certification every year.
Government agency	Enforcing rules and regulations according to the law.	Create good relationship with the government Ensuring that operations are in line with rules and regulations.
Financial Institution	Fair and sustainable joint business practices.	Create good relationship with the government Ensuring that operations are in line with rules and regulations.
Employee	Fair and sustainable joint	Set expectations of all levels of employees to help drive our Company.
Community	Sustainable Coexistence	Create good relationship with community Social development policy for sustainable growth by participating in various public activities.



### 3.3 Sustainability management in environmental dimensions

#### 3.3.1 Environmental Policies and Practices

The factory has environmental management policy and the cost-effective use of resources in line with legal requirements.

In terms of wastewater treatment system management, the factory sends sample of wastewater for analysis in accordance with the law on the discharge of wastewater outside the factory. The samples are collected twice a month and reported to the Department of Industrial Works. This is to report the amount of pollutants discharged from the factory every 6 months and report the results of the wastewater treatment system (TS2) to the Pollution Control Department by the 15th day of the following month, including a detailed recording of the daily monitoring of the operation of the wastewater treatment system.

1. In terms of waste management (Industrial waste), the factory clearly classifies the type of waste and the storage space is clearly divided. The company also acquires permission and provides annual report submission to the Department of Industrial Works.

As such, the person/company carrying out waste treatment at the factory does have a license complying with legal requirements.

2. In terms of management of air pollution, the factory checks the quality of the ventilation chimneys every 6 months and reports the amount of pollutants emitted from the factory every 6 months to the Department of Industrial Works. The parameters of the shaft end quality were measured for TSP (Total Suspended Particulate Matter) dust values and atmospheric chemicals were also measured

3. In terms of energy management, the factory has a note of daily traffic in terms of electricity, water, fuel. The traffic is clearly isolated, as well as calculates the proportion of energy bills per unit of output generated, also has energy management measures that must be implemented in accordance with the requirements of the Department of Alternative Energy Development and Energy Conservation, with the certification of a legal energy management audit by an authorized specialist from the DPRK. Currently, the Company considering installing solar panels to reduce electricity consumption within the factory.

4. Currently, the factory is working on a project to reduce the use of plastics in the factory, and is in the process of collecting data such as using film to wrap raw material containers and waste from manufacturing process for short distance transportation. The factory is studying possibilities of switching from plastic to stainless steel nets

## Environmental Controls Details

The company has a wastewater treatment area of 13,000 square meters, with a post-treated wastewater quality certification according to the Department of Factories, Ministry of Industry.

The company uses leftover raw materials to make organic fertilizers. At the moment, some types of waste raw materials have been sold to companies for further utilization. Replace the hot-air generator from fuel oil and rice husk to natural gas. Apart from the lower amount of waste, less smoke is released into the atmosphere. Organized eucalyptus planting projects on empty spaces around the wastewater treatment pond in the plant.



**From 2011 to 2013, the company participated in the Carbon Footprint study program for agricultural and food products organized by the National Bureau of Agricultural and Food Standards. In 2012 the company also participated in the study project regarding the Carbon Footprint calculator for agricultural and food products organized by Kasetsart University and the Federation of Thai Industries.**

The target of evaluation under the PAS 2050 standard is to study the emission of carbon throughout a product's life cycle. The information will be used to reduce the emission by improving the production process, which will reduce the energy and reduce the cost.

The organization prepared the greenhouse gas emissions data according to the criteria for calculating and reporting the organization's carbon footprint (4th revision, January 2021) by the Thailand Greenhouse Gas Management Organization (Public Organization).

Type 1 corporate greenhouse gas emission of 3,770.46 TonCO<sub>2</sub>e.

Type 2 corporate greenhouse gas emission of 3,774.07 TonCO<sub>2</sub>e.

Type 3 corporate greenhouse gas emission (water and paper) of 318.83 TonCO<sub>2</sub>e.



However, the organization has not provided any third-party audits as it is improving its system for collecting new greenhouse gas emissions data and will provide an audit plan from external auditors as required by the Greenhous Gas Management Organization (Public Organization) in the future.





### 3.4 Sustainability Management in the Social Dimension

#### 3.4.1 Social Policy and Guidelines

The company has a policy of maintaining high social responsibility to operate the business with responsibility towards society, environment and stakeholders as follows:

Food and Drinks Public Company Limited is committed to operating with responsibility for the society and any impact in various fields arising from its business operations. The company adheres to the code of conduct, including maintaining a transparent business, fair labour practices without discrimination, verifiable status, ethical, respect for human rights, political neutrality, fairness and anti-corruption. The company also supports participation, by communications and taking into account the interests of stakeholders, as well as the impact on the community and environment.

#### 3.4.2 Corporate Social Responsibilities (CSR)

The Company sees the importance of Corporate Social Responsibility. Thus, The Company has entered the program organized by the Department of Industrial Work, Ministry of Industry.

The company has a policy to support the development of society. It has cooperated with government and private sectors in activities which benefit the public.

Activities for the community that have been implemented in 2020 include the following:

1. Donate food to Ban Bueng Hospital.
2. Donate food to the Thai Red Cross Society.
3. Donate food and clothing to House of Blessing Foundation.
4. Donate food to the Scholars of Sustenance Foundation (SOS).
5. Donate food to merchants suffering from the COVID-19 pandemic.

4



#### 4. Management Discussion and Analysis : MD&A

Food and Drinks Public Company Limited operating result in 2021 compare to 2020 and Financial Statement as at 31 December 2021 compare to 2020 which has been audited and approved by Certified Auditor and has been approved by the Board of Director can be summarized the major points as follows :

##### 4.1 Operating Result

Company's Financial Statement in 2021 has net profit amount to Baht 9.3 million compared to last year financial statement which had net profit of Baht 24.3 million. Net profit ratio in 2021 is 1.4% (in 2020: Net profit ratio was 3.4%). The Company has profit per share at Baht 0.53 (in 2020: profit per share at Baht 1.38) and book value per share as at 31 December 2021 is equal to 66.77 Baht.

Significant change are as follows :

##### Statements of Comprehensive Income

###### Revenue

Revenue from sale in Baht 622.08 million decreased by Baht 72.54 million or 10.44%. (2020 : Baht 694.62 million). Due to the COVID-19 pandemic, which has directly affected the company's domestic and export customers' business, along with shortages of containers and shipping vessels, preventing export sales from meeting export plans.

Export sales revenue is amounting of Baht 385.1 million which equals to 61.9% (2020 in the amount of Baht 457.6 million which was 65.9%) of total sales.

Domestic sales revenue is amounting of Baht 237.0 million which equals to 38.0% (2020 in the amount of Baht 237.1 million which was 34.1%) of total sales.

Other income in 2021 is amounting of Baht 23.5 million mainly from rental and service which is the normal transaction (2020 has other income amounting of Baht 20.6 million).

###### Cost of Sales

Cost of sales amounting of Baht 536.3 million decreased by Baht 59.3 million or 10.0% (2020 in amounting of Baht 595.6 million) due to sales amount decreased. Cost of sales ratio at 86.2% (2020 : at 85.7%) which result in gross profit of Baht 85.8 million decreasing Baht 13.2 million (2020 gross profit margin amounting of Baht 99.0 million).

###### Selling and Administrative Expense

Selling expense decreases amounting of Baht 4.6 million due to distribution expense decrease. In 2021 selling expense is in the amount of Baht 34.3 million (2020 Selling expense amounting of Baht 38.9 million).

Administrative expense amounting of Baht 58.8 million increasing 1.7% (2020 Administrative expense is in the amount of Baht 57.8 million) which increase from additional staff.

###### Finance cost

Finance cost amounting of Baht 3.1 million decrease by amounting of Baht 2.4 million or 43.2% (2020 Finance cost amounting of Baht 5.5 million) due to The Company repayment loan from financial institution within year 2021 amounting of Baht 40.2 million.

Income tax expense

Corporate income tax amounting of Baht 8.6 million increase by amounting of Baht 7.3 million or 575.8% due to adjustment expired deferred tax assets. (2020 Corporate income tax amounting of Baht 1.3 million)

**Statements of financial position**

Statement of Financial Position as at 31 December 2021, The Company has total asset of Baht 1,585.30 million increased from last year by Baht 98.80 million, total liabilities in Baht 408.60 million decreased from last year by Baht 2.67 million and shareholders' equity of Baht 1,176.70 million increased from last year by Baht 101.47 million or 9.44%. The important changes in asset, liabilities and shareholders' equity are as follows:

Assets

Cash and cash equivalents decreased by Baht 1.2 million, Trade receivable decreased by Baht 12.5 million, account receivable outstanding at 27.65 days. Inventory increased 25.0 million, Inventory outstanding at 26.1 days.

The Company recorded profit sharing in joint-venture by equity method of Baht 4.8 million and received dividend from joint-venture in Baht 10.2 million. Investment in associate as at 31 December 2021 amounting of Baht 91.1 million.

Property, plant and equipment increased by Baht 96.5 million. Increasing from fair value of land net of tax amounting to Baht 91.1 million.

Liabilities

Bank overdraft and short-term loan from financial institutions decrease by 30.8 million, long-term loan from financial institution decrease 9.4 million and lease liabilities increase 1.6 million.

Trade and other current payable increase 8.1 million. Account payable outstanding at 49.1 days.

Shareholder's equity

Shareholder's equity increases from operation profit for year 2021 amounting of Baht 9.3 million and other components of equity which increasing from fair value of land net of tax amounting to Baht 91.1 million.

**Cash flow statement**

Cash Flow Statement for the year ended 31 December 2021, The Company has cash and cash equivalent transaction net decreased from 31 December 2020 in Baht 1.2 million by separate cash flow to each activity as follows:

Cash flow from operating activity, net received Baht 34.86 million has significant transactions as follow:

Operating cash flow before changing			
in operating asset and liability	Baht	44.53	million
Trade and other receivable decrease by	Baht	12.54	million
Inventories increase by	Baht	(25.01)	million
Trade and other current payables increase by	Baht	9.95	million
Paid for financial cost	Baht	(3.13)	million

Cash flow from investing activity, net received Baht 5.72 million has significant transactions as follow:

Dividend income from associate	Baht	10.23	million
Acquisition of property, plant			
and equipment	Baht	(3.37)	million
Cost of rubber plantation	Baht	(1.15)	million

Cash flow from financing activity, net used in Baht 41.80 million has significant transactions as follow:

Bank overdrafts and short-term loans			
from financial institutions decrease by	Baht	(30.80)	million
Repayment of loan-term loan	Baht	(9.41)	million
Repayment of lease liabilities	Baht	(1.59)	million

Company's source of capital mainly came from revenue from company's operating and credit from local commercial bank for supporting current capital and investment project by The Company is carefully in management capital structure.

In 2021, company has liquidity ratio 1.5 time (2020 : 1.2 time) and Debt to Equity Ratio as at December 31, 2021 at 0.4 time (2020: 0.4 time) which is in the average of the industry.

**4.2 Factors or events that may affect future financial position or operations (Forward Looking)**

Trend of future business operation, The Company has goal to expand domestic and export market and strengthen company's own brand products by increase efficiency in utilizing its plant, machine and equipment. However, The Company has investment plan to improve and expand the production to meet customer's requirement.

Since 2015, the Company has begun expanding to other countries in the future. The company's other main customer remains Australia. The company has maintained a

core customer base that has long been in good relations and has reached out to new customers and supported product development research to be competitive in the market.

The Company will also emphasize in building its own brand to be well known in the market, and to increase long-term revenue and profit to The Company and take pride by the employees.

## 4.3 Summary Financial Information and Financial Ratio

<b>Summary Financial Information</b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
			<b>(Unit : Baht)</b>
Current assets	199,316,308	178,950,059	188,478,538
Investment in associate	101,980,327	96,467,321	91,058,567
Investment properties	97,889,859	96,958,242	96,076,375
Properties, plant and equipment	1,089,191,941	1,075,433,517	1171,908,593
Bearer plants	28,455,400	31,180,043	32,038,198
Total assets	1,520,049,561	1,486,492,574	1585,295,925
Current liabilities	219,054,590	146,648,166	129,361,522
Long-term loan from financial institution, net of current portion	32,156,863	43,529,412	29,077,647
Employee benefit obligations	37,443,140	40,104,386	38,332,229
Deferred tax liabilities	177,411,947	178,179,404	209,798,505
Total liabilities	467,133,670	411,267,945	408,600,430
Registered capital	176,243,080	176,243,080	176,243,080
Issued and paid-up share capital	176,243,080	176,243,080	176,243,080
Share premium	125,668,080	125,668,080	125,668,080
Revaluation Surplus	822,321,100	822,321,100	913,449,700
Legal reserve	15,431,000	15,431,000	15,431,000
Unappropriated (deficit)	(86,747,369)	(64,438,631)	(54,096,365)
Total shareholder's equity	1,052,915,891	1,075,224,629	1176,695,495
Revenues from sales	732,348,508	694,623,152	622,077,808
Other income	23,205,121	20,577,831	23,510,147
Share profit from investment in associate	8,212,617	8,086,568	4,821,653
Profit (loss) before income tax expense (income)	9,696,998	25,540,904	17,858,844
Income tax expense (income)	8,231,876	1,268,593	8,572,876
Profit (loss) for the year	1,465,122	24,272,311	9,285,968
Change in revaluation of land	599,400,000	-	113,910,750
Actuarial gain	(2,563,530)	(2,414,731)	1,320,373
Income tax of items that will not be reclassified to profit or loss	(119,368,317)	472,704	(23,046,225)
Total comprehensive income (expense) for the year	478,938,391	22,381,493	101,470,866
Earnings (loss) per share	0.08	1.38	0.53

<b>Financial Ratio</b>	<b>Unit</b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
<b><u>Liquidity Ratio</u></b>				
Current ratio	Times	0.9	1.2	1.5
Quick ratio	Times	0.3	0.5	0.4
Account Receivable Turnover	Times	9.4	12.0	13.0
Days Account Receivable Outstanding	Days	39.3	30.1	27.7
Inventory Turnover	Times	24.8	20.4	13.8
Days Inventory Outstanding	Days	14.5	17.6	26.0
Account Payable Turnover	Times	7.5	8.0	7.3
Days Account Payable Outstanding	Days	47.8	44.9	49.1
Cash Cycle	Days	6.0	2.8	4.6
<b><u>Profitability Ratio</u></b>				
Gross Margin	%	11.1%	14.3%	13.8%
Operating Profit	%	(1.7%)	0.3%	(1.2%)
Profit Margin on Sales	%	0.2%	3.4%	1.4%
Return on Equity	%	0.2%	2.3%	0.8%
<b><u>Efficiency Ratio</u></b>				
Return on Assets	%	1.54%	2.06%	1.37%
Assets Turnover	Times	0.6	0.5	0.4
<b><u>Financial Policy Ratio</u></b>				
Debt to Equity	Times	0.4	0.4	0.4
Interest Converge	Times	2.1	5.6	6.7
Dividend Payout	%	-	-	-*
<b><u>Per Share</u></b>				
Book Value	Baht	59.74	61.01	66.77
Net Profit	Baht	0.08	1.38	0.53

\* Not approved, to be approve at the ordinary general meeting of shareholders no. 1/2022 held on 28 April 2022.

## 5 General and other important information

### 5.1 General Information

#### Share Registration

Thailand Securities Depository Company Limited  
93 Ratchadapisek Road Kwang Dindaeng,  
Khet Dindaeng, Bangkok 10400  
Tel.: 0-2009-9000 Fax: 0-2009-9991

#### Auditor

Mr. Pornchai Kittipanya-Ngam  
Certified Public Accountant (Thailand) No. 2778  
or  
Mrs. Suwanee Kittipanya-Ngam  
Certified Public Accountant (Thailand) No. 2899  
or  
Mr. Thanakorn Fakfaipol  
Certified Public Accountant (Thailand) No. 4879  
Bunchikij Co., Ltd.  
9th Floor 87 Modern Town Building Ekamai Soi 3,  
Sukhumvit 63 Road,  
Wattana, Bangkok 10110  
Tel.: 0-2382-0414 Fax.: 0-2381-5849

#### Legal Advisor

Legal Advisory Council Limited.  
16fl. Olympia Thai Tower 444 Ratchdapisek Road  
Huay Kwang, Bangkok 10310  
Tel.: 0-2512-5938-40

#### Investor Relation

Miss. Huai Hui Lee  
15fl. Regent House Building 183 Rajdamri Rd.  
Lumpini, Patumwan, Bangkok 10330  
Tel : 0-2253-5232-3 Fax : 0-2070-0733  
Email : info@foodanddrinks.co.th



**5.2 Other important information****5.2.1 Other information that may significantly affect investors' decisions**

None

**5.2.2 Restrictions on overseas shareholders In the event that the Company has a policy to request a resolution at the shareholders' meeting to offer new shares or issue a transferable subscription right (TSR) certificate to shareholders in accordance with the shareholding, without issuing and offering to shareholders who will apply to the company to be obliged by foreign law.**

None

**5.3 Legal disputes**

None

**5.4 Secondary Market**

None

**5.5 Regular contact financial institutions (in case of debt instruments only)**

None

## Part 2 Corporate Governance

### 6 Corporate Governance Policy

The Company recognizes the importance of good corporate governance for transparency in operation, and the responsibilities of the Board of Directors to enhance the shareholders' trust and value. The Company has committed to comply with corporate governance guidelines issued by the regulatory bodies that govern its operations as a public company, and to the implementation and compliance with such other standards as are appropriate to the conduct of its business.

#### 6.1 Overview of policies and practices of corporate governance

##### 6.1.1 Policy and Guidelines regarding the Board of Directors

The Company has established important policies and guidelines concerning the Board of Directors. In order to ensure transparency and fairness, ranging from nomination and remuneration to directors and executives. Independence of the Board of Directors from management Development of The Board of Directors' Performance Assessment Committee including supervision of subsidiaries and associated companies.

##### 6.1.2 Policies and Guidelines concerning Shareholders and Stakeholders

The Company has established important policies and guidelines concerning shareholders and stakeholders in order to ensure appropriate treatment of shareholders and stakeholders. It covers from promoting the exercise of rights of shareholders. Equal treatment of shareholders Responsibility to stakeholders to supervise the use of internal information Prevention of conflicts of interest, anti-corruption, information notification complaints or clues.

#### 6.2 Code of Conduct

The Company attaches importance to the rights of all stakeholders. Whether there are internal stakeholders including the Board of Directors. Executives, employees and shareholders of The Company or external stakeholders include customers, partners, competitors, creditors, Government and other related agencies The Company has prepared the following code of conduct guidelines following:

- **Shareholders:** The Company is committed to providing efficient business operations. Therefore, in addition to the basic rights, rights set forth in laws, articles of association, such as the right to attend shareholders' meetings and vote. The right to express their opinions independently at the shareholders' meeting, including the right to receive fair returns. The Company also grants shareholders the right to make various recommendations regarding The Company's business operations as the owner of The Company, with every comment moderated for proposal to be considered by the Board of Directors.
- **Customers:** The Company is committed to offering quality products that meet international standards and on-time delivery. In order for the buyer to be satisfied with both the quality and the price. It can be accepted to compete with the market as well. In 2021, The Company surveyed customer satisfaction with products and services with an average customer satisfaction score of more than 90%. The Company emphasizes on maintaining the standards set by its partners and complying with the regulations of the trading partners, with factory received GMP certification and

HACCP certification by TQCS International (Group), Pty. from Australia and Global Standard for Food Safety (BRC) by NSF Certification from the United Kingdom.

- **Competitors:** Competing companies are one of the factors that make The Company more committed to improving its products and services. The Company adheres to conducting business fairly within the framework of the law and has a policy of promoting competition within the framework of fair, transparent, non-seeking confidential information of competitors through dishonest means. Do not damage reputation or act without truth or unfairness.
- **Creditors:** The Company is always aware that building relationships with creditors to gain confidence and trust. It is a burden to act in conjunction with compliance with conditions and integrity. Therefore, The Company adheres to business operations with integrity, based on fair and compliance with business criteria and conditions for creditors and partners. In the past year, The Company has gained confidence from leading financial institutions to approve credit lines for business expansion and is classified as a group of top debtors who receive special interest rates.
- **Employees:** The Company recognizes that personnel are an important mechanism for the company's operations to achieve its goals efficiently and efficiently. Therefore, the Company treats all employees equally. Therefore, the Company attaches great importance to its employees. Policies and guidelines on safety and hygiene in the workplace are established. The company also provides quality recruitment as well as effective personnel development. Since 2012, the Company has continuously provided provident funds for employees to provide long-term care for employees.
- **Social Community and Environment:** The Company recognizes the importance of coexistence in society as well as the community environment. Therefore, The Company has a clear policy to contribute to the sustainable development of society. The Company has cooperated with the public and private sectors to perform activities in the public interest including:
  1. Scholarship Program - The Company has been starting the program since 2003, providing scholarships to children of employees and to schools in Ban Bueng district for students studying well but poorly.
  2. Student Program Students work during the school holidays - Started a student program Students have been working since 2003 to provide extra income to students during the school holidays.
  3. Blood Donation - The Company has joined forces with Ban Bueng Public Health to organize blood donation activities. 4 times a year.
  4. Environmental protection in the community - The Company has divided the wastewater treatment area to 13,000 square meters, certified for the quality of wastewater after treatment. The quality is exactly as specified by the Department of Plants, Ministry of Industry.
  5. Thai local projects, green space conservation, planting trees at reservoirs and public interest areas.
  6. In addition, in the waste material section. The Company is in the process of studying the fermentation of waste materials for organic fertilizer, while now some waste materials have been sold to companies that can be used for use.

### **6.3 Significant Changes and Developments of Policy, Corporate Governance, and Corporate Governance System in the past year**

There is no significant change within year 2021.

**6.3.1 Significant changes and developments regarding policy review Guidelines and corporate governance systems or charters of the Board of Directors in the past year**

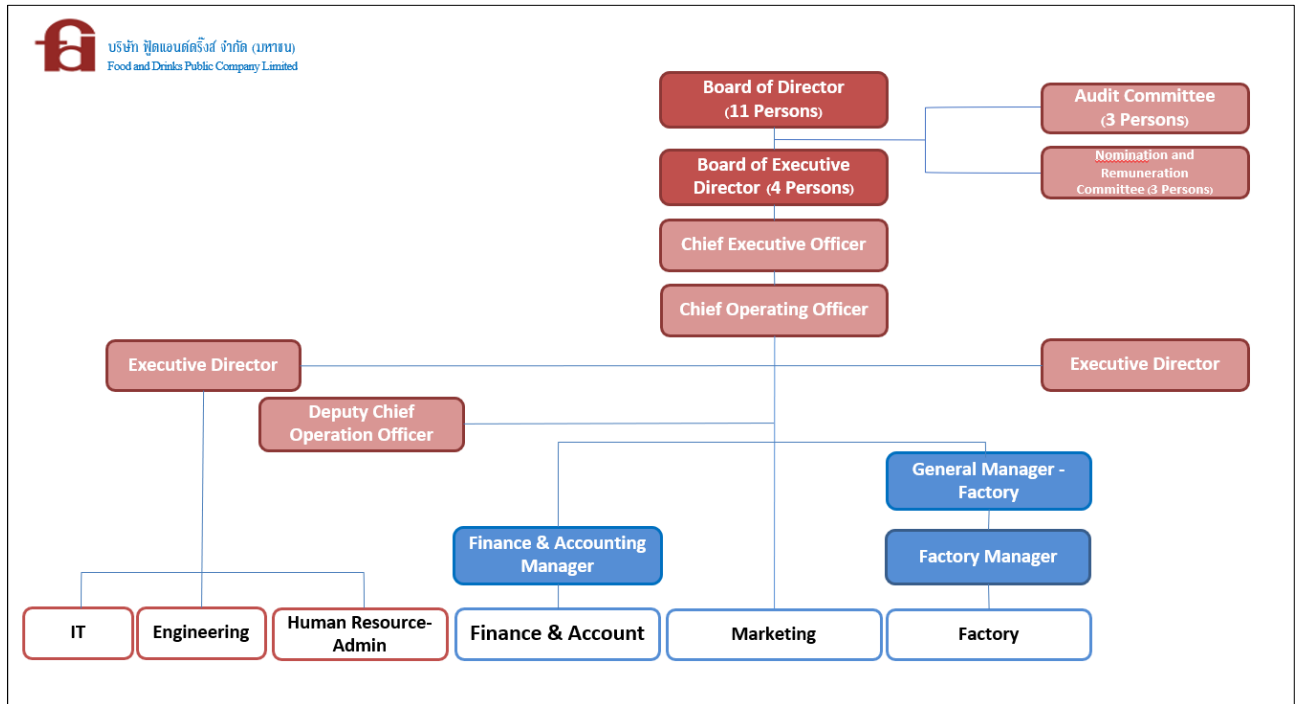
There is no significant change within year 2021.

**6.3.2 Change in Policy, Corporate Governance Guidelines and Systems**

There is no significant change within year 2021.

## 7 Corporate Governance Structure and Key Information about Board, Sub-committees, Management, and Others

### 7.1 Management Structure



## 7.2 Board of Director Composition

### 7.2.1 Composition of the Board of Directors

Board of director

The Board of Directors is comprised of 4 independent directors, 4 executive directors, and 3 non-executive directors.

Name of Director	Position
1. Mr. Phirasilp Subhapholsiri	Chairman/Independent Director
2. Mr. Kasem Deemaitree	Chief Executive Officer/Director
3. Mrs. Chintana Asdornnithee	Executive Director
4. Ms. Huai Hui Lee	Chief Operating Officer/Director
5. Mr. Huai Hsin Lee	Executive Director
6. Mr. Udom Karoonkornsakul	Director
7. Mr. Aditep Nontratip	Director
8. Mr. Chun-Nam Wong	Director
9. Ms. Chaovana Vivatpanachati	Chairman Audit Committee/Independent Director
10. Mr. Sumet Chey-O-Nanund	Independent Director/Audit Committee
11. Mr. Sansern Nilrat	Independent Director/Audit Committee

The directors who are authorized to sign to represent The Company are

Mrs. Chintana Asdornnithee or Mr. Aditep Nontratip co-sign with Mr. Kasem Deemaitree or Miss Huai Hui Lee or Mr. Huai Hsin Lee with company seal.

### 7.2.2 Information of the Board of Directors and persons controlling individual companies

Name - Surname Independent Director	Profile
<p><b>Mr. Phirasilp Subhapholsiri (69 Years)</b> Independent Director</p>	<p><b>Educational</b> : Yokohama National University <b>Course</b> : DAP 40/2005</p> <p><b>Work Experience</b> 2009 – Present Chairman Food and Drinks PCL. 2013 – Present Independent Director Tipco Asphalt PCL. 2010 – Present Chairman Kaizen Consulting Co., Ltd. 2019 - Present Director Hmc polymers co. ltd. 1989 – Present Chairman Supana Co., Ltd.</p> <p><b>Shareholding in The Company (%)</b> - None - <b>Family relationship between directors and executives</b> - None -</p>
<p><b>Ms. Chaovana Vivatpanachati (61 Years)</b> Independent Director Chairman Audit Committee Certified Public Accountant</p>	<p><b>Educational</b> : Certified Public Accountant approved by SEC : Master of Management University of Wollongong, Australia : Master of Accounting Chulalongkorn University : Certificate in Accounting Audit Thammasart University</p> <p><b>Course</b> : DAP, DCP 58/2003, ACP : ASEAN CPA</p> <p><b>Work Experience</b> 2002 - Present Independent Director/ 1.Food and Drinks PCL. Independent Director/ 2.S.C.I. Electric Chairman Audit Manufacturing PCL. Committee 1999 - Present Executive Director 1.Moore DIA Sevi Ltd. 1994 - Present Managing Director 2.75 CPE Co.,Ltd. 3.Pitisevi Co., Ltd.</p> <p><b>Shareholding in The Company (%)</b> - None - <b>Family relationship between directors and executives</b> - None -</p>
<p><b>Mr. Sumet Chey-O-Nanund (79 Years)</b> Independent Director Audit Committee</p>	<p><b>Educational</b> : Bachelor of Business Administration Major Accounting Thammasart University</p> <p><b>Course</b> : DAP 2/2003</p> <p><b>Work Experience</b> 2002 – Present Independent Director/ Food and Drinks PCL. Audit Committee 1996 – Present Freelance</p> <p><b>Shareholding in The Company (%)</b> - None - <b>Family relationship between directors and executives</b> - None -</p>

Name - Surname Independent Director	Profile
<b>Mr. Sansern Nilrat (68 Years)</b> Independent Director Audit Committee	<p><b>Educational</b> : Master of Business Administration Kasetsart University</p> <p><b>Course</b> : DCP 4/2000, 5/2007 : ACP 21/2008</p> <p><b>Work Experience</b></p> <p>2009 - Present Independent Director/ Food and Drinks PCL.</p> <p>2014 - Present Audit Committee Federation of Thai Capital Market Organizations</p> <p>2012 - 2014 Qualified Advisors CIMB Securities Co., Ltd. Head of Proprietary Trading</p> <p><b>Shareholding in The Company (%)</b> - None - <b>Family relationship between directors and executives</b> - None -</p>

Name-Surname Executive Directors	Profile
<b>Mr. Kasem Deemaitree (87 Years)</b> Managing Director Authorized Director	<p><b>Educational</b> : B.S. Agricultural Chemistry Chung-Hsin University Taiwan</p> <p><b>Work Experience</b></p> <p>1986 - Present Chief Executive Officer Food and Drinks PCL.</p> <p><b>Shareholding in The Company (%)</b> 18.74 <b>Family relationship between directors and executives</b> Father of Mr. Huai Hsin Lee, Ms. Huai Hui Lee</p>
<b>Mrs. Chintana Asdornnithee (83 Years)</b> Executive Director Authorized Director	<p><b>Educational</b> : High School St. Joseph Convent</p> <p><b>Course</b> : DAP</p> <p><b>Work Experience</b></p> <p>1986 – Present Executive Director Food and Drinks PCL.</p> <p>1990 – Present Deputy Managing Director Lampang Food Products Co., Ltd.</p> <p>1995 – Present Director Chiang Sean Food Products Co., Ltd. Deputy Managing Director</p> <p><b>Shareholding in The Company (%)</b> 4.6 <b>Family relationship between directors and executives</b> Father of Mr. Huai Hsin Lee, Ms. Huai Hui Lee</p>
<b>Ms. Huai Hui Lee (59 Years)</b> Chief Operating Officer Authorized Director	<p><b>Educational</b> : Master of Business Administration George Washington University</p> <p><b>Course</b> : DCP 19/2002</p> <p><b>Work Experience</b></p> <p>2013 – Present Chief Operating Officer / Marketing Director Food and Drinks PCL.</p> <p><b>Shareholding in The Company (%)</b> 11.52 <b>Family relationship between directors and executives</b> Daughter of Mr. Kasem Deemaitree Older Sister of Mr. Huai Hsin Lee</p>



Name-Surname Executive Directors	Profile
<b>Mr. Huai Hsin Lee (55 Years)</b> Executive Director Authorized Director	<b>Educational</b> : Bachelor of Engineering University of Maryland <b>Work Experience</b> 2013 – Present Executive Director / Food and Drinks PCL. Engineering & Information Technology <b>Shareholding in The Company (%)</b> 9.89 <b>Family relationship between directors and executives</b> Son of Mr. Kasem Deemaitree Brother of Ms. Huai Hui Lee

Name-Surname Directors	Profile
<b>Mr. Aditep Nontratip (57 Years)</b> Director Authorized Director	<b>Educational</b> : Ph.D. Food Science Tokyo University of Fisheries : Master of Business Administration Chulalongkorn University <b>Course</b> : DAP 80/2009 <b>Work Experience</b> 2009 – Present Director Food and Drinks PCL. 1979 – Present Director Kawasho Foods (Thailand) Co., Ltd. <b>Shareholding in The Company (%)</b> - None - <b>Family relationship between directors and executives</b> - None -
<b>Mr. Udom Karoonkornsakul(87 Years)</b> Director	<b>Educational</b> : High School <b>Course</b> : DAP <b>Work Experience</b> 1986 – Present Director Food and Drinks PCL. 2009 – Present Chairman Sahamitre Fish Meal Co., Ltd. <b>Shareholding in The Company (%)</b> 2.7 <b>Family relationship between directors and executives</b> - None -
<b>Mr. Chun-Nam Wong (75 Years)</b> Director	<b>Educational</b> : High School Diploma Hong Kong <b>Work Experience</b> 1994 – Present Director Food and Drinks PCL. Present Investor <b>Shareholding in The Company (%)</b> - None - <b>Family relationship between directors and executives</b> - None -

### 7.2.3 The Responsibility of the Board of Directors

1. Monitor and manage the operation of The Company on the basis of good corporate governance.
2. Set company's vision and mission for management and employee to have the same goal and consider reviewed The Company's vision and mission every year.
3. Manage and discuss the business strategy as proposed by the executive directors and ensure that the executive directors and management carry out the plans as approved efficiently, added value to The Company's business, and give good operational results.
4. Set up shareholders' annual meeting within 4 months after the fiscal year-end closing date and any other meetings necessary.
5. Set up board of directors meeting at least 4 times per year. In each meeting, there will be at least 60% of all directors are present. If there is a resolution required, the resolution is based on the majority vote. If equal, the chairman of the meeting will have one additional vote.
6. Consider and approve annual business plan, including budget for investment and goals.
7. Report financial data and other important information to shareholders. To ensure that the information is correct, complete and sufficient.
8. Set up and follow up on internal control, internal audit and risk management to ensure the efficiency in the system.
9. Appoint and clarify the differences in responsibility among directors, various sub-committees, management and employee.
10. Oversee the executive directors and management to follow the policies and requirements that were approved or specified from the shareholders according to the requirement of SEC and Stock Exchange of Thailand.
11. Set up for take a position of the list company's director not more than 5 companies.
12. Set up the Chairman's responsibility.
13. Report the stakeholder.
14. Overall responsibility to ensure and supervise the risk management in The Company.
15. Schedule of the Annual Board of Directors Meeting The Secretary will notify the Board of Directors by the end of the year.

### 7.3 Sub-committees Composition

#### Executive committee

Name of Director	Position
1. Mr. Kasem Deemaitree	Chief Executive Officer/Director
2. Mrs. Chintana Asdornnithee	Executive Director
3. Ms. Huai Hui Lee	Chief Operating Officer/Director
4. Mr. Huai Hsin Lee	Executive Director

#### The Responsibility of Executive Committee

1. Set plans, direction, strategy and budget in company's operations to achieve the target and follow up to ensure that those are practiced and disclose.
2. Review The Company's operations from time to time to achieve the business projections.
3. Evaluate any major investments and budgets before presenting to the Board of Directors for consideration.
4. Conduct financial transactions with financial institutions according to the authorization chart for the short-term loans, withdraw and opening accounts.
5. Represent The Company and operate on behalf of The Company to the public.
6. Evaluate and risk management in the organization.

## Audit committee

Name of Director	Position
1. Ms. Chaovana Vivatpanachati	Chairman Audit Committee
2. Mr. Sumet Chey-O-Nanund	Audit Committee
3. Mr. Sansern Nilrat	Audit Committee

Remarks :

Ms. Chaovana Vivatpanachati - Chairman of Audit Committee, Mr. Sumet Chey-O-nanund and Mr. Sansern Nilrat - Audit Committee members, all have accounting background for review company's financial statement.

The Responsibility of Audit Committee

1. Ensure the accuracy, completeness and reliability of financial statements and that sufficient information is disclosed.
2. Review the financial statement, company's account policy according to general certification standards.
3. Ensure that The Company has sufficient, appropriate and effective internal controls, risk management, and internal audit systems. Have the authority to review, and investigate related to concern matters, under the scope of responsibility and authorization, by inviting directors, or management, or staff to attend the meeting and provide relevant information.
4. Select and propose The Company's auditors and determine their compensation, including meeting the auditor without the presence of the management at least once a year.
5. Consider and propose to terminate auditors if found not appropriate or suitable.
6. Ensure that The Company abide by all rules and regulations including other regulations and laws related to The Company's business.
7. Ensure that not create conflict of interest.
8. Prepare an Audit Committee's Report according to the Scope of Responsibilities assigned by the Board of Directors and report in The Company's annual report, signed by the Chairman of the Audit Committee.

Risk Management Committee

<b>Name of Director</b>	<b>Position</b>
1. Mr. Kasem Deemaitree	Chairman
2. Ms. Huai Hui Lee	Vice Chairman
3. Mrs. Chintana Asdornnithee	Director
4. Mr. Huai Hsin Lee	Director
5. Mr. Theerapat Soopanit	Director
6. Mr. Nakhon Mahakhun, Ph.D.	Director
7. Mr. Prasit Jaturatpunsang	Director
8. Mr. Suchat Thipmontien	Director
9. Mr. Piyapark Muangkaew	Director and Secretary

Remarks :

Mr. Theerapat Soopanit and Mr. Piyapark Muangkaew were resigned from the Company within year 2022.

The Responsibility of Risk Management Committee

1. Consider to set the policy and scope of risk management in the organization on risk management principles and propose to the board of directors to consider and approve.
2. Ensure and support the various departments in the organization to create.
  - 2.1. Evaluate type of risk such as Strategic risk, Operational Risk, Financial Risk, Legal Risk, IT Risk that concerning to business operations in the organization under their department responsibilities.
  - 2.2. Risk management measure.
  - 2.3. Operations plan for manage or reduce the risk to be an acceptable level for ensure that The Company group have risk management sufficient and suitable.
3. Follow up the risk management action plans of various department in the organization for reduce the risk to be an acceptable level.
4. Ensure in improvement the risk management system in the organization always successively and effectively.
5. Review the policy and risk management framework regularly once a year to ensure that according and suitable to operating business conditions.
6. Report the results of the risk management include risk status, guidelines for risk management, progress and the results of the risk management to the board of directors, the audit committee and the management team quarterly.
7. Any other responsibilities assigned by the board of directors.

Nomination and Remuneration Committee

Name of Director	Position
1. Mr. Sansern Nilrat	Chairman of Nomination and Remuneration Committee
2. Mr. Sumet Chey-O-Nanund	Committee
3. Mr. Huai Hsin Lee	Committee

Responsibilities of the Nomination and Remuneration Committee

1. Nominate qualified persons who deserve to be nominated as directors for approval by the Board of Directors or shareholders' meetings.
2. Recruit qualified and deserving candidates for senior management positions. To propose to the Board of Directors for approval.
3. Determine the method and criteria for the nomination of directors and senior executives of The Company.
4. Set the remunerations and other benefits to the Board of Directors for consideration of the Board of Directors prior to the approval of the shareholders' meeting.
5. Assign payout rates and other benefits to senior executives for approval from the Board of Directors' meetings or board of directors.
6. Evaluate the annual performance and consider the policy to adjust the appropriate remuneration rate for The Company's employees as a whole.
7. Perform any other work related to recruitment as assigned by the Board of Directors or the shareholders' meeting.

## 7.4 Management

### 7.4.1 List and Position of Executives

Management as at 31 December 2021 as follows :

Name of Director		Position
1. Mr. Kasem	Deemaitree	Director, Chief Executive Officer
2. Mrs. Chintana	Asdornnithee	Executive Director
3. Ms. Huai Hui	Lee	Director, Chief Operating Officer
4. Mr. Huai Hsin	Lee	Executive Director
5. Mr. Piyapark	Muangkaew	Deputy Chief Operating Officer
6. Mr. Theerapat	Soopanit	Chief Financial Officer

#### Remarks :

Mr. Theerapat Soopanit and Mr. Piyapark Muangkaew were resigned from the Company within year 2022.

### 7.4.2 Director remuneration policy

The Nomination and Remuneration Committee considers and presents appropriate executive remuneration. The company's remuneration, including the remuneration of the Chief Executive Officer and Managing Director, is related to both short-term and long-term performance that reflects the company's sustainability.

#### Director remuneration

Within year 2021, The Company paid Salary and bonus for 6 executives and managers are Baht 19.59 million.

## 7.5 Employee Information

Currently, The Company employs both Bangkok office and factory department 461 persons excluding executives.

In addition to returns for fair, legitimate wages and equivalent rates to the general labor market and employee satisfaction. The Company also provides welfare benefits to employees as follows:

Salary adjustment is based on ability and efficiency for employees after their probation performance evaluation.

Bonus when turnover is good, even if profitable or not profitable. If the Company deems appropriate, bonuses should be given to employees for encouragement. The Company will consider it according to the competence, efficiency and employee's working life.

Provident fund contributions to employees, lump sums for retirement, resignation, disability or family collateral in the event of employee death by employees and The Company will save money into the provident fund at the rate of 2% of each month's wages by voluntarily submitting an application to become a provident fund member when they complete 4 months of work.

Number of years of membership	Right to contributions with benefits
3 years < 5 years	20%
5 years < 7 years	50%
Over 7 years	100%

However, if you have a disability, death or retirement, you will receive 100% contributions from The Company even if you are not a member for 7 years.

Marriage gifts for the employee of the marriage by registering the marriage legally.

Give funeral grants to employees. If the spouse, child/daughter, father/mother, the birther of the employee dies, or to the employee's heir, if an employee dies.

Loan to employees for study of the children/daughters or the employees themselves, or the cost of medical treatment. Spouse, children/daughters, parents, birthers or employees themselves

Life insurance, accident or health insurance are provided for employees after probation.

As at 31 December 2021, there are employees 666 persons. In 2021, the Company paid 125.65 million Baht consists of salaries, overtime, grants, living expenses, bonuses, and other employees, Social Security funds and provident fund contributions.

	Employee (persons)	Amount (Million Baht)
Executive	6	19.52
Employees	660	106.06
Total	<u>666</u>	<u>125.65</u>

In 2021, the Company paid for the supply of vaccines, cost for take care employees during the COVID-19 pandemic including those in quarantine amounting to Baht 1.24 million.



**7.6 Other Information****7.6.1 Specify the following list of persons assigned to the responsibility:**

Chief Financial Officer	Mr. Theerapat Soopanit
Company Secretary	Mr. Piyaphark Muangkaew
Internal Audit Outsource	DIA International Audit Co., Ltd.

**Remarks :**

Mr. Theerapat Soopanit and Mr. Piyapark Muangkaew were resigned from the Company within year 2022.

**7.6.2 List of Investor Relations Supervisors**

Investor Relations	Ms. Huai Hui Lee
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**7.6.3 Auditors' Remuneration**

Auditors' annual appointment and fixing their remuneration is approved at Annual Shareholders' Meeting. The names of auditors proposed and appointed are licensed according to the Stock Exchange of Thailand. In 2022, the company will dominate the appointment of Bunchikij Co., Ltd. as company auditor with the audit fee of Baht 1,500,000.

## 8 Highlights of Corporate Governance

### 8.1 Summary of the Board of Directors' performance in the past year

The Board of Directors reviewed and updated its vision and mission to meet the current and consistent with the long-term business direction. Approve key issues regarding The Company's direction and operational policies, including business plans and annual budgets. Review the adequacy of internal control processes and appropriate risk management processes. Supervise and monitor management's management in accordance with the policy. The Management department shall report its performance to the meeting.

#### 8.1.1 Nomination, Development and Evaluation of The Board of Directors' Duties

##### (1) Independent director

The criteria for selection of independent directors are to have qualifications as specified by the SEC and SET, with details as follows:

1. Must hold no more than 0.5% of the total voting shares of The Company, parent company, subsidiary company, associated company or juristic person that may have conflicts of interest by including the shares held by related persons.
2. Do not involve as management, staff, employees or consultants who receive regular salary, controlling person of The Company, parent company, subsidiary company, associated company, same-level subsidiary company or juristic persons that may have conflicts (Present and during the 2 years before appointment).
3. Not a family members either by birth or by registration as a parent, spouse, siblings and children, including spouses of children and executives of major shareholders, regulator or the person who is nominated as the executive or controlling person of The Company or subsidiary.
4. Business relations with The Company
  - a. Relationship
    - Relationship in the nature of professional services
      - Relationship: Auditors, service providers and other professional services such as legal advisors, financial advisor, property appraiser etc.
      - Significant level that is not considered independent
        - In the case of the auditor: all cases are prohibited.
        - In the case of other professional service providers: Amounting exceeds 2 million Baht per year
    - Commercial / Business Relations (Use the same guidelines as SET requirements for connected transactions)
      - Relationship: defines all types of business transactions, including normal business transactions rental list / rental property, the transactions relating to assets / services and the list of giving or receiving financial assistance.
      - Significant levels that are not independent
        - Transaction amount > 20 million Baht or > 3% of The Company's NTA, whichever is lower. In considering the transaction value, include transactions occurred during 6 months.
  - b. In the case of a relationship under (a) with a juristic person, the person considered to be not independent are the major shareholders, directors (except in the case of independent directors / audit committee) and the executive or partner of that juristic person.

- c. Specify the period of time in which the relationship is prohibited under (a) and (b): present and 2 years ago appointed.
  - d. Exception: In case of necessity or reason which does not occur consistently and continuously, the independent director/audit committee may have a relationship that exceeds the significant level that can determine during that position but must be first approved by the board of directors and the resolution must be a consensus. In addition, The Company must disclose such relationship of that director in the Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) of The Company. If The Company proposes later that independent director/audit committee to hold the position for another term, The Company must disclose information about the said relationship in the details for Voting Directors in the Annual General Meeting for Shareholders agenda.
5. Not a director appointed to be a representative of The Company's directors, major shareholders or shareholders who are related to the major shareholders of The Company.
  6. Not having any characteristics which make him incapable of being independent.
  7. Independent directors with qualifications may be assigned by the board of directors to make decisions about the operations of The Company, parent company, subsidiary company, associated company, same-level subsidiary company or juristic persons that may have conflicts in which there is a collective decision.

The selection of independent directors must be approved by the shareholders' meeting. The committee which is still in the term will nominate to the shareholders' meeting.

#### (2) Nomination of Directors and Administrators

1. The selection of directors, including independent directors, must be approved by the shareholders' meeting, with the board of directors still on the agenda to be nominated to the shareholders' meeting, and for senior executives to be selected by the Executive Committee, unless the Chairman of the Board of Directors must be approved by the Board of Directors.
2. At present, The Company have an appointment at the nomination committee date 21<sup>st</sup> January 2020.
3. Selection of directors is from the shareholders' meeting.
4. Shareholders elects and removes directors according to the following rules and procedures:
  - a. The number of votes equal to the number of shares held by each shareholder.
  - b. During the election process, directors can be elected individually, several persons, or as a group, whichever deems appropriate by the Meeting. To pass a resolution, the shareholders shall cast all of their votes according to (a.) No splitting of votes allowed.
  - c. A simple majority is applied to the election of directors. In the event of a tie, the Chairman of the Meeting has the deciding vote.

The Shareholders Meeting may pass a resolution to remove any director prior to the end of that director's term. Such resolution requires no less than three-fourths of shareholders present at the meeting with voting rights, and the total shares should not be less than half of those held by the attending shareholders with voting rights.

#### **8.1.2 Attendant records and remuneration for each director**

The Company discloses information about the participation of directors' meetings on the sub-committees in order to comply with the following principles of good corporate governance:

Attendance records of directors

Name of Director	Directors Meeting (11 persons)	Shareholders' Meeting No. 1/2020
Mr. Phirasilp Subhapholsiri	7/7	1/1
Mr. Kasem Deemaitree	7/7	1/1
Mrs. Chintana Asdornnithee	7/7	1/1
Mr. Udom Karoonkornsakul	7/7	1/1
Ms. Chaovana Vivatpanachati	7/7	1/1
Mr. Sumet Chey-O-nanund	7/7	1/1
Mr. Sansern Nilrat	7/7	1/1
Mr. Aditep Nontratip	7/7	1/1
Mr. Wong Chun Nam	4/7	1/1
Mr. Huai Hsin Lee	7/7	1/1
Miss Huai Hui Lee	7/7	1/1

Remuneration for each director

The financial remuneration for 11 directors in 2021 equaled to Baht 1,487,000.00 fixed remuneration.

Name of Director	Position	Annual Remuneration	Meeting Allowance*
1 Mr. Phirasilp Subhapholsiri	Chairman	40,000 Baht	99,000 Baht
2 Mr. Kasem Deemaitree	Director, Chief Executive Officer	40,000 Baht	99,000 Baht
3 Mrs. Chintana Asdornnithee	Executive Director	40,000 Baht	99,000 Baht
4 Miss Huai Hui Lee	Director, Chief Operating Officer	40,000 Baht	99,000 Baht
5 Mr. Huai Hsin Lee	Executive Director	40,000 Baht	99,000 Baht
6 Mr. Udom Karoonkornsakul	Director	40,000 Baht	99,000 Baht
7 Mr. Aditep Nontratip	Director	40,000 Baht	99,000 Baht
8 Mr. Wong Chun Nam	Director	40,000 Baht	57,000 Baht
9 Mr. Sansern Nilrat	Independent Director	40,000 Baht	99,000 Baht
10 Ms. Chaovana Vivatpanachati	Independent Director	40,000 Baht	99,000 Baht
11 Mr. Sumet Chey-Onanund	Independent Director	40,000 Baht	99,000 Baht

Remarks \* Pay based on actual attendance.

The remuneration of the Audit Committee for a total of 3 persons is 437,000 Baht.

	Name of Audit Committee	Position	Annual Remuneration	Meeting Allowance*
1	Ms. Chaovana Vivatpanachati	Chairman of Audit Committee	90,000 Baht	69,000 Baht
2	Mr. Sansern Nilrat	Audit Committee	70,000 Baht	69,000 Baht
3	Mr. Sumet Chey-Onanund	Audit Committee	70,000 Baht	60,000 Baht

Remarks \* Pay based on actual attendance.

The remuneration of the nomination and remuneration committee for a total of 3 persons is 50,000 Baht as fixed compensation.

	Name of Committee	Position	Meeting Allowance*
1	Mr. Sansern Nilrat	Chairman of Audit Committee	10,000 Baht
2	Mr. Sumet Chey-Onanund	Director	7,500 Baht
3	Mr. Huai Hsin Lee	Director	7,500 Baht

Remarks \* Pay based on actual attendance.

### 8.1.3 Supervision of subsidiaries and associates

- (1) Mechanisms for supervising, managing and responsible for operating in subsidiaries and associates approved by the Board of Directors.

The Board of Directors has a supervision mechanism that allows it to control, manage, and be responsible for the operations of associated company in order to protect the interests of The Company's investments as follows:

- Appoint company representative to be directors and executives of the associated company in proportion to their shareholding. The representative must approved by the meeting of the Board of Directors.
- There is a scope of authority and responsibility of the directors and executives representing The Company in the associated company to control or participate in the determination of important policies for business operations.
- Disclosure of financial status and results of operations, the transactions between associated companies, acquisition or disposition of assets or other important transactions of the associated company completely and correctly and use the rules relating to the disclosure of information and transactions in the above manner in the same way as The Company's rules.
- There is an appropriate and sufficient internal control system in the associated company and mechanisms for overseeing associates such as approval of capital increase or decrease of capital.

### 8.1.4 Monitoring the compliance with corporate governance policies and practices

The Board of Directors closely monitors the Company's performance to meet its annual estimates to ensure that the Company can turn its results around positively. Even in the situation of the COVID-19 pandemic.

In addition, the Company should follow up to ensure compliance with good corporate governance in 4 other issues as follows:

- (1) Prevention conflicts of interest

The Board of Directors has assigned the Audit Committee to consider the related interests of the directors to prevent conflicts of interest.

- (2) Use of inside information for exploitation

The Board of Directors has required directors and executives not to trade the Company's securities specifically one month before the financial statements are made public.

- (3) Anti-Corruption Policy

The Company recognizes anti-corruption, which eliminates the country's economic growth. The Company has managed its risks by announcing its anti-corruption and bribery policies. On March 11, 2010, the policy was announced and reviewed every year. And The Company has participated in anti-corruption programs and at the beginning of 2021, The Company has announced that it is not accepting gifts by announcing on its website and notifying its key partners.

(4) Whistleblowing

If an employee sees a potential problem with fraud, they can notify the Board of Directors at 02 253-5232-3 ext 115, or if it is important or urgent that may affect The Company's image or involve a senior executive or director, notify the Chairman of the Audit Committee directly.

Company has procedures to deal with the misconduct as follow:

1. To consider the preliminary information and send to the relevant section to investigate.
2. Company will protect the person who report from any troubles.
3. Company will not demote or punish the person who report, although it might cause The Company to lose business opportunities.
4. Company will keep the information as secret.

In term of the responsibility to consumers, The Company determined to produce quality food and services for safety to consumer is important by stick to international standard, law and other related regulation.

## 8.2 Report on the Audit Committee's performance over the past year

### 8.2.1 Number of Audit Committee meetings and attendance

Name of Audit Committee	Meeting Attendance
Ms. Chaovana Vivatpanachati	5/5
Mr. Sansern Nilrat	5/5
Mr. Sumet Chey-Onanund	5/5

### 8.2.2 Audit Committee performance

The Audit Committee has reviewed the financial reports. Review The Company's effective internal control system and internal audit. To consider the selection of external auditors and present to the Board of Directors for consideration and other duties as assigned by the Board of Directors, which meets the requirements and best practices for the Audit Committee of the Stock Exchange of Thailand. There are 5 meetings for 2021.

## 8.3 Summary of duties of other sub-committees

### Nomination and Remuneration Committee

#### 8.3.1 Number of meetings and attendance

Name of Remuneration Committee	Meeting Attendance
Mr. Sumet Chey-Onanund	2/2
Mr. Sansern Nilrat	2/2
Mr. Huai Hsin Lee	2/2

#### 8.3.2 Nomination and Remuneration Committee performance

The Nomination and Remuneration Committee has conducted a 2021 charter review and regulations for The Company's early retirement, along with 2 meeting for 2021.



## 9 Internal Control and Related Transactions

The company does not have an internal control agency, hiring an external internal auditor.

### 9.1 Internal Control

The Board of Directors approved to hire Auditor Office of DIA Audit Company Limited to be our Internal Auditor as suggested by the Audit Committee since 2002. In 2020, internal audit team leader is Mr. Apinan Sripamoch (CPA# 5092) has been evaluation internal control compliance with COSO Integrated Framework was carried out by receiving internal audit reports directly from internal auditors. The Company has a reasonably good internal control system. The internal auditor has made recommendations to improve the amendments that the management will follow up on in accordance with the recommendations of the internal auditor.

### 9.2 Related Transaction

List of executive directors who serve as directors in associated company.

Director Name	Position	Associated Company
1. Mr. Kasem Deemaitree	Director	Hon Chuan FD Packaging Co., Ltd.
2. Mrs. Chintana Asdornnithee	Director	Hon Chuan FD Packaging Co., Ltd.

Relationship with key management and other related parties were as follows:

Name of entities / person	Country of incorporation/ nationality	Relationships	Nature of relationships
Key management personnel	Thai	Related person	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of The Company.
Hon Chuan FD Packaging Company Limited	Thailand	Associate	Common shareholders and directors.
Kawasho Foods Corporation	Japan	Other related company	Common shareholders and directors.
Chiang Sean Food Products Co., Ltd.	Thailand	Other related company	Common shareholders and directors.
Lampang Food Products Co., Ltd.	Thailand	Other related company	Common shareholders and directors.

The pricing policies for particular types of transactions are explained further below:

Transaction	Pricing Policy
Sales of goods	Cost plus margin
Purchase of raw material	Market price
Purchase of packaging and supplies	Market price
Rental income and other service charges	Contract price
Other expenses	Actual cost

The related party transactions for the year ended 31 December consisted of :

	Unit : Thousand Baht	
	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
<i>For the years ended 31 December</i>	2021	2020
<b>Associate</b>		
Rental income and other service charges	3,863	3,863
Purchase of packaging and supplies	9,938	5,711
Other expenses	21	-
<b>Other related company</b>		
Sales of goods	33,584	29,077
Purchase of raw materials	796	1,628
<b>Key management personnel</b>		
Short-term employee benefits	17,791	16,966
Post-employment benefits	287	372
<b>Total key management personnel benefits</b>	<b>18,078</b>	<b>17,338</b>

Balances as at 31 December with related parties are as follows:

	Unit : Thousand Baht	
	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2021	2020
<b>Trade receivable</b>		
Other related company	-	1,745
<i>Less</i> allowance for expected credit loss	-	(1)
<b>Total</b>	<b>-</b>	<b>1,744</b>
<b>Other current receivable</b>		
Associate	333	333
<b>Total</b>	<b>333</b>	<b>333</b>
<b>Trade payables</b>		
Associate	3,322	1,577
Other related company	-	375
<b>Total</b>	<b>3,322</b>	<b>1,952</b>

All related transactions are completely disclosed in the notes to the financial statements no. 5.

**Part 3**  
**Financial Statement**

**FOOD AND DRINKS PUBLIC COMPANY LIMITED**  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
1 JANUARY 2021 TO 31 DECEMBER 2021



**บริษัท บัญชีกิจ จำกัด**  
**BUNCHIKIJ CO., LTD.**  
Certified Public Accountants

### Independent Auditor's Report

To the Shareholders and the Board of Directors of Food and Drinks Public Company Limited

#### *Opinion*

I have audited the accompanying financial statements in which the equity method is applied and the separate financial statements of Food and Drinks Public Company Limited (the Company) which comprise the statements of financial position of the financial statements in which the equity method is applied and the separate financial statements as at 31 December 2021, and the related statements of comprehensive income, changes in equity and cash flows of the financial statements in which the equity method is applied and the separate financial statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements in which the equity method is applied and the separate financial statements present fairly, in all material respects, the financial position of Food and Drinks Public Company Limited as at 31 December 2021, and its 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 in which the Equity Method is applied and the Separate Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements in which the equity method is applied and the separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key audit matters*

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

Key audit matter	How the matter was addressed
<p><b>Inventories</b></p> <p>The estimation of the net realisable value of inventory, as disclosed in Notes 4 and 8 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the products' life cycle, the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventories.</p>	<p>The key audit procedures include :</p> <ul style="list-style-type: none"> <li>• Gaining an understanding of the basis applied in determining the provision for diminution in value of inventories and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.</li> <li>• Comparing the inventory holding periods and inventory movements in order to identify product lines with indicators of lower inventory turnover than normal level.</li> <li>• Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.</li> <li>• Comparing historical data of actual losses on sales and write-off of inventory during the years with the provision for diminution in value of inventory recorded at the preceding year-end.</li> </ul>

Key audit matter	How the matter was addressed
<p><b>Deferred tax</b></p> <p>The Company has disclosed its accounting policy and details relating to deferred tax in Notes 3.18, 4 and 26 to the financial statements. A deferred tax asset is recognised when it is highly probable that the Company’s taxable profit will be sufficient to allow utilization of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgment with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.</p>	<p>The key audit procedures include :</p> <ul style="list-style-type: none"> <li>• Making enquiry of responsible executives, gaining an understanding of and testing the key related controls over the preparation and approval of the estimates of future taxable profit for the purposes of deferred tax asset recognition.</li> <li>• Assessing the estimates of future taxable profit as follows;                             <ul style="list-style-type: none"> <li>- Checking the required information and key economic assumptions used in the projections.</li> <li>- Comparing the past projections with actual taxable profits to assess the exercise of management judgment in estimating taxable profits.</li> <li>- Testing the calculation of future taxable profit based on the above information and assumptions.</li> </ul> </li> <li>• Reviewing the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets were not recognised.</li> </ul>

**Other information**

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

My opinion on the financial statements in which the equity method is applied and the separate financial statements does not cover the other information as referred to above and I will not express any form of assurance conclusion thereon.



In connection with my audit of the financial statements in which the equity method is applied and the separate financial statements, my responsibility is to read the other information as referred to above when it becomes available and, in doing so, consider whether such the other information is materially inconsistent with the audited financial statements in which the equity method is applied and the separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the Company's annual report, if I conclude that there is any material misstatement in that other information, I am required to communicate the matter to the management and those charged with governance to correct such information.

*Responsibilities of management and those charged with governance for the financial statements in which the equity method is applied and the separate financial statements*

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

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

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

*Auditor's responsibilities for the audit of the financial statements in which the equity method is applied and the separate financial statements*

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial statements in which the equity method is applied and the separate financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements in which the equity method is applied and the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements in which the equity method is applied and the separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements in which the equity method is applied and the separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of equity-accounted investment of the Company to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the audit the financial statements in which the equity method. 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 in which the equity method is applied and the separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*The engagement partner responsible for the audit resulting in this independent auditor's report*



(Mr. Thanakorn Fakfaipol)

Certified Public Accountant No. 4879

**Bunchikij Co., Ltd.**

Bangkok

25 February 2022

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## Food and Drinks Public Company Limited

## Statements of financial position

As at 31 December 2021

Unit : Baht

Assets	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2021	2020	2021	2020
<i>Current assets</i>					
Cash and cash equivalents	6	11,618,161	12,841,099	11,618,161	12,841,099
Trade and other current receivables	7	42,647,061	55,114,585	42,647,061	55,114,585
Inventories	8	121,898,390	96,893,374	121,898,390	96,893,374
Other current financial assets	9	1,000,000	1,107,295	1,000,000	1,107,295
Other current assets	10	11,314,926	12,993,706	11,314,926	12,993,706
<b>Total current assets</b>		<b>188,478,538</b>	<b>178,950,059</b>	<b>188,478,538</b>	<b>178,950,059</b>
<i>Non-current assets</i>					
Other non-current financial assets	9	901,330	901,330	901,330	901,330
Investment in associate	11	91,058,567	96,467,321	68,202,710	68,202,710
Investment property	12	96,076,375	96,958,242	96,076,375	96,958,242
Property, plant and equipment	13	1,171,908,593	1,075,433,517	1,171,908,593	1,075,433,517
Bearer plants	14	32,038,198	31,180,043	32,038,198	31,180,043
Right-of-use assets	15	3,313,331	4,558,033	3,313,331	4,558,033
Intangible assets	16	430,085	573,185	430,085	573,185
Other non-current assets		1,090,908	1,470,844	1,090,908	1,470,844
<b>Total non-current assets</b>		<b>1,396,817,387</b>	<b>1,307,542,515</b>	<b>1,373,961,530</b>	<b>1,279,277,904</b>
<b>Total assets</b>		<b>1,585,295,925</b>	<b>1,486,492,574</b>	<b>1,562,440,068</b>	<b>1,458,227,963</b>

The accompanying notes form an integral part of these financial statements.

## Food and Drinks Public Company Limited

## Statements of financial position

As at 31 December 2021

Unit : Baht

Liabilities and equity	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2021	2020	2021	2020
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions	17	29,200,000	60,000,000	29,200,000	60,000,000
Trade and other current payables	18	82,503,402	74,354,398	82,503,402	74,354,398
Current portion of long-term loan					
from financial institutions	19	14,451,765	9,411,765	14,451,765	9,411,765
Current portion of lease liabilities	20	916,711	1,586,989	916,711	1,586,989
Other current financial liabilities		1,133,940	-	1,133,940	-
Other current liabilities		1,155,704	1,295,014	1,155,704	1,295,014
<b>Total current liabilities</b>		<b>129,361,522</b>	<b>146,648,166</b>	<b>129,361,522</b>	<b>146,648,166</b>
<i>Non-current liabilities</i>					
Long-term loan from financial institutions	19	29,077,647	43,529,412	29,077,647	43,529,412
Lease liabilities	20	1,105,717	2,022,427	1,105,717	2,022,427
Deferred tax liabilities	26	209,798,505	178,179,404	209,798,505	178,179,404
Non current provisions for employee benefits	21	38,332,229	40,104,386	38,332,229	40,104,386
Other non-current liabilities		924,810	784,150	924,810	784,150
<b>Total non-current liabilities</b>		<b>279,238,908</b>	<b>264,619,779</b>	<b>279,238,908</b>	<b>264,619,779</b>
<b>Total liabilities</b>		<b>408,600,430</b>	<b>411,267,945</b>	<b>408,600,430</b>	<b>411,267,945</b>

The accompanying notes form an integral part of these financial statements.

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## Food and Drinks Public Company Limited

## Statements of financial position

As at 31 December 2021

Unit : Baht

Liabilities and equity	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2021	2020	2021	2020
<i>Equity</i>					
Share capital	22				
Authorised share capital					
17,624,308 ordinary shares of Baht 10 each		176,243,080	176,243,080	176,243,080	176,243,080
Issued and paid-up share capital					
17,624,308 ordinary shares of Baht 10 each		176,243,080	176,243,080	176,243,080	176,243,080
Share premium	22	125,668,080	125,668,080	125,668,080	125,668,080
Retained earnings (deficit)					
Appropriated					
Legal reserve	23	15,431,000	15,431,000	15,431,000	15,431,000
Unappropriated (deficit)		(54,096,365)	(64,438,631)	(76,952,222)	(92,703,242)
Other components of equity	23	913,449,700	822,321,100	913,449,700	822,321,100
<b>Total equity</b>		<b>1,176,695,495</b>	<b>1,075,224,629</b>	<b>1,153,839,638</b>	<b>1,046,960,018</b>
<b>Total liabilities and equity</b>		<b>1,585,295,925</b>	<b>1,486,492,574</b>	<b>1,562,440,068</b>	<b>1,458,227,963</b>

The accompanying notes form an integral part of these financial statements.

## Food and Drinks Public Company Limited

## Statements of Comprehensive Income

For the year ended 31 December 2021

Unit : Baht

	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2021	2020	2021	2020
<b>Revenues</b>					
Revenues from sales		622,077,808	694,623,152	622,077,808	694,623,152
Dividend income from associate	11	-	-	10,230,407	13,640,542
Other income		23,510,147	20,577,831	23,510,147	20,577,831
<b>Total revenues</b>		<b>645,587,955</b>	<b>715,200,983</b>	<b>655,818,362</b>	<b>728,841,525</b>
<b>Expenses</b>					
Costs of sales of goods	8	536,320,652	595,599,785	536,320,652	595,599,785
Distribution costs		34,320,496	38,865,542	34,320,496	38,865,542
Administrative expenses		58,789,018	57,787,950	58,789,018	57,787,950
<b>Total expenses</b>		<b>629,430,166</b>	<b>692,253,277</b>	<b>629,430,166</b>	<b>692,253,277</b>
<b>Profit from operating activities</b>		<b>16,157,789</b>	<b>22,947,706</b>	<b>26,388,196</b>	<b>36,588,248</b>
Finance costs		(3,120,598)	(5,493,370)	(3,120,598)	(5,493,370)
Share of profit of associate accounted for using equity method	11	4,821,653	8,086,568	-	-
<b>Profit before income tax expense</b>		<b>17,858,844</b>	<b>25,540,904</b>	<b>23,267,598</b>	<b>31,094,878</b>
Income tax expense	26	8,572,876	1,268,593	8,572,876	1,268,593
<b>Profit for the years</b>		<b>9,285,968</b>	<b>24,272,311</b>	<b>14,694,722</b>	<b>29,826,285</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain on fair value adjustment of land	13	113,910,750	-	113,910,750	-
Gain (loss) on remeasurement of defined benefit plans	21	1,320,373	(2,414,731)	1,320,373	(2,414,731)
Share of other comprehensive income of associate accounted for using equity method		-	51,209	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	26	(23,046,225)	472,704	(23,046,225)	482,946
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>92,184,898</b>	<b>(1,890,818)</b>	<b>92,184,898</b>	<b>(1,931,785)</b>
<b>Other comprehensive income (expense) for the year, net of income tax</b>		<b>92,184,898</b>	<b>(1,890,818)</b>	<b>92,184,898</b>	<b>(1,931,785)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>101,470,866</b>	<b>22,381,493</b>	<b>106,879,620</b>	<b>27,894,500</b>
<b>Basic earnings per share (in Baht)</b>	27	<b>0.53</b>	<b>1.38</b>	<b>0.83</b>	<b>1.69</b>

The accompanying notes form an integral part of these financial statements.

## Food and Drinks Public Company Limited

## Statement of Changes in Shareholders' Equity (Financial statements in which the equity method is applied)

For the year ended 31 December 2021

	Note	Issued and paid - up share capital	Share premium	Retained earnings (deficits)		Other components of equity		Total equity	Unit : Baht
				Legal reserve	Unappropriated	Revaluation surplus on land			
				15,431,000	(86,820,125)	822,321,100	1,052,843,135		
<b>Balance as at 1 January 2020</b>		<b>176,243,080</b>	<b>125,668,080</b>	<b>15,431,000</b>	<b>(86,820,125)</b>	<b>822,321,100</b>	<b>1,052,843,135</b>		
Total comprehensive income for the year		-	-	-	24,272,311	-	24,272,311		
Profit for the year		-	-	-	24,272,311	-	24,272,311		
Other comprehensive income		-	-	-	(1,931,785)	-	(1,931,785)		
Loss on remeasurements of benefit plans		-	-	-	(1,931,785)	-	(1,931,785)		
Share of other comprehensive income of associate accounted for using equity method		-	-	-	40,968	-	40,968		
<b>Balance as at 31 December 2020</b>		<b>176,243,080</b>	<b>125,668,080</b>	<b>15,431,000</b>	<b>(64,438,631)</b>	<b>822,321,100</b>	<b>1,075,224,629</b>		
<b>Balance as at 1 January 2021</b>		<b>176,243,080</b>	<b>125,668,080</b>	<b>15,431,000</b>	<b>(64,438,631)</b>	<b>822,321,100</b>	<b>1,075,224,629</b>		
Total comprehensive income for the year		-	-	-	9,285,968	-	9,285,968		
Profit for the year		-	-	-	9,285,968	-	9,285,968		
Other comprehensive income		-	-	-	-	-	-		
Gain on fair value adjustment of land	13	-	-	-	-	91,128,600	91,128,600		
Gain on remeasurements of benefit plans		-	-	-	1,056,298	-	1,056,298		
<b>Balance as at 31 December 2021</b>		<b>176,243,080</b>	<b>125,668,080</b>	<b>15,431,000</b>	<b>(54,096,365)</b>	<b>913,449,700</b>	<b>1,176,695,495</b>		

The accompanying notes form an integral part of these financial statements.



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**Food and Drinks Public Company Limited**  
**Statement of Changes in Shareholders' Equity (Separate financial statements)**  
**For the year ended 31 December 2021**

	Note	Issued and paid - up share capital	Share premium	Retained earnings (deficits)		Other components of equity		Total equity	Unit : Baht
				Legal reserve	Unappropriated	Revaluation surplus on land			
<b>Balance as at 1 January 2020</b>		176,243,080	125,668,080	15,431,000	(120,597,742)	822,321,100		1,019,065,518	
Total comprehensive income for the year		-	-	-	29,826,285	-		29,826,285	
Profit for the year		-	-	-	(1,931,785)	-		(1,931,785)	
Other comprehensive income		-	-	-	(1,931,785)	-		(1,931,785)	
Loss on remeasurements of benefit plans		-	-	-	(1,931,785)	-		(1,931,785)	
<b>Balance as at 31 December 2020</b>		176,243,080	125,668,080	15,431,000	(92,703,242)	822,321,100		1,046,960,018	
<b>Balance as at 1 January 2021</b>		176,243,080	125,668,080	15,431,000	(92,703,242)	822,321,100		1,046,960,018	
Total comprehensive income for the year		-	-	-	14,694,722	-		14,694,722	
Profit for the year		-	-	-	14,694,722	-		14,694,722	
Other comprehensive income		-	-	-	-	-		-	
Gain on fair value adjustment of land	13	-	-	-	-	91,128,600		91,128,600	
Gain on remeasurements of benefit plans		-	-	-	1,056,298	-		1,056,298	
<b>Balance as at 31 December 2021</b>		176,243,080	125,668,080	15,431,000	(76,952,222)	913,449,700		1,153,839,638	

The accompanying notes form an integral part of these financial statements.

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## Food and Drinks Public Company Limited

## Statements of Cash Flows

For the year ended 31 December 2021

Unit : Baht

	Financial statements				
	in which equity method is applied		Separate financial statements		
	Note	2021	2020	2021	2020
<b>Cash flows from operating activities</b>					
Profit before tax		17,858,844	25,540,904	23,267,598	31,094,878
<i>Adjustments to reconcile profit before tax</i>					
<i>to cash receipts (payments)</i>					
Depreciation and amortisation		21,576,867	24,546,926	21,576,867	24,546,926
Reversal of allowance for expected credit loss	7	(18,755)	(72,105)	(18,755)	(72,105)
(Reversal of) loss on inventories devaluation	8	3,281,755	(3,750,482)	3,281,755	(3,750,482)
Gain on disposal of property, plant and equipment		-	(816,934)	-	(816,934)
Share of profit of associate accounted for					
using equity method	11	(4,821,653)	(8,086,568)	-	-
Dividend income from associate	11	-	-	(10,230,407)	(13,640,542)
Long-term employee benefits expenses	21	2,465,052	2,619,195	2,465,052	2,619,195
Unrealised (gain) loss on foreign exchange		(57,728)	100,082	(57,728)	100,082
Unrealised (gain) loss on fair value of derivatives		1,133,940	(107,294)	1,133,940	(107,294)
Interest income		(12,086)	(24,210)	(12,086)	(24,210)
Finance costs		3,120,598	5,493,370	3,120,598	5,493,370
		<u>44,526,834</u>	<u>45,442,884</u>	<u>44,526,834</u>	<u>45,442,884</u>
<i>Changes in operating assets and liabilities</i>					
Trade and other current receivables		12,541,620	10,384,623	12,541,620	10,384,623
Inventories		(28,286,770)	18,640,284	(28,286,770)	18,640,284
Other current financial assets		107,295	-	107,295	-
Other current assets		2,311,541	6,139,152	2,311,541	6,139,152
Other non-current assets		379,936	(112,035)	379,936	(112,035)
Trade and other current payables		9,954,248	(834,459)	9,954,248	(834,459)
Other current liabilities		1,350	62,116	1,350	62,116
Provisions for employee benefits		(2,916,836)	(2,372,681)	(2,916,836)	(2,372,681)
Net cash generated from operating activities		<u>38,619,218</u>	<u>77,349,884</u>	<u>38,619,218</u>	<u>77,349,884</u>
Interest paid		(3,132,302)	(5,649,183)	(3,132,302)	(5,649,183)
Cash received from withholding tax refunded		-	406,956	-	406,956
Income tax paid		(632,761)	(582,961)	(632,761)	(582,961)
<b>Net cash provided by operating activities</b>		<u><b>34,854,155</b></u>	<u><b>71,524,696</b></u>	<u><b>34,854,155</b></u>	<u><b>71,524,696</b></u>

The accompanying notes form an integral part of these financial statements.

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## Food and Drinks Public Company Limited

## Statements of Cash Flows

For the year ended 31 December 2021

Unit : Baht

Note	Financial statements			
	in which equity method is applied		Separate financial statements	
	2021	2020	2021	2020
<b><i>Cash flows from investing activities</i></b>				
Dividend income from associate	10,230,407	13,640,542	10,230,407	13,640,542
Proceeds from sale of property, plant and equipment	-	869,253	-	869,253
Acquisition of property, plant and equipment	(3,372,733)	(6,231,594)	(3,372,733)	(6,231,594)
Acquisition of intangible assets	-	(715,498)	-	(715,498)
Increase in bearer plants	(1,149,956)	(2,724,644)	(1,149,956)	(2,724,644)
Interest received	13,943	25,048	13,943	25,048
<b>Net cash provided by investing activities</b>	<b>5,721,661</b>	<b>4,863,107</b>	<b>5,721,661</b>	<b>4,863,107</b>
<b><i>Cash flows from financing activities</i></b>				
Decrease in bank overdrafts and short-term loans from financial institutions	(30,800,000)	(76,766,090)	(30,800,000)	(76,766,090)
Proceeds from long-term loans	-	20,000,000	-	20,000,000
Repayment of long-term loans	(9,411,765)	(7,058,824)	(9,411,765)	(7,058,824)
Repayment of lease liabilities	(1,586,989)	(1,020,904)	(1,586,989)	(1,020,904)
<b>Net cash used in financing activities</b>	<b>(41,798,754)</b>	<b>(64,845,818)</b>	<b>(41,798,754)</b>	<b>(64,845,818)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,222,938)</b>	<b>11,541,985</b>	<b>(1,222,938)</b>	<b>11,541,985</b>
Cash and cash equivalents at beginning of years	12,841,099	1,299,114	12,841,099	1,299,114
<b>Cash and cash equivalents at ending of years</b>	<b>11,618,161</b>	<b>12,841,099</b>	<b>11,618,161</b>	<b>12,841,099</b>
<b>Supplemental cash flows information:</b>				
Non-cash items				
Increase in equipment from other payables	365,920	2,158,930	365,920	2,158,930
Increase in right-of-use-assets from lease liabilities	-	2,050,813	-	2,050,813
Increase in equipment from lease liabilities	-	2,928,000	-	2,928,000
Transfer of investment properties to property, plant and equipment	-	59,436	-	59,436
Transfer of equipment to right-of-use assets	-	633,330	-	633,330

The accompanying notes form an integral part of these financial statements.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021****1 General information**

Food and Drinks Public Company Limited, the “Company”, has been incorporated in Thailand and has its registered head office at 695/1 Moo 1 Banbung - Bankai Road, Klongkaew, Banbung, Chonburi. There are 3 branches as follows:

Branch 1 : Regent House Building 15floor 183, Ratchadamri Rd., Lumpini, Bangkok.

Branch 2 : The address is 695/3 Moo 1 Banbung - Bankai Road, Klongkaew, Banbung, Chonburi.

Branch 3 : The address is 695/7 Moo 1 Klongkaew, Banbung, Chonburi.

The Company was registered with the Stock Exchange of Thailand on 3 August 1994

The principal businesses of the Company are engaged in the manufacture and distribution of foods products, beverages, frozen foods and products from rubber trees.

***Coronavirus disease 2019 pandemic***

The Coronavirus disease 2019 pandemic is impacting most business and industries, resulting in an economic slowdown. This situation may bring uncertainties and has an impact on the environment of the Company’s operation. The Company’s management continuously monitored the ongoing development and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

**2 Basis of preparation of the financial statement**

**2.1** The financial statements are prepared in accordance with Thai Financial Reporting Standards guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

**2.2** The financial statements are prepared and presented from the statutory financial statement that are in Thai language and Thai currency. The English version has been prepared from Thai financial statement. All financial information presented in Thai Baht has been rounded to the nearest thousand in the notes to the financial statements unless otherwise stated.

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**2.3** New and Revised Thai Financial Reporting Standards

*The Financial Reporting Standards that have been effective in the current accounting period.*

The Company has adopted the new and revised Thai Financial Reporting Standards, Thai Financial Reporting Standard Interpretations and Guidelines promulgated by the Federation of Accounting Professions that have been effective for accounting periods beginning on or after 1 January 2021.

The adoption of these TFRSs does not have any material effect on the Company's financial statements..

*The Financial Reporting Standards that have not yet been effective in the current accounting period.*

The Federation of Accounting Professions has issued Thai Financial Reporting Standards which will be effective for accounting periods beginning on or after 1 January 2022, which the Company have not adopted the above standards before the effective date. Some standards has provided the temporary reliefs or temporary exemptions.

The management of the Company is in the process of assessing the impact on the financial statements in the year that the above standards are applied.

**3** Significant accounting policies

**3.1** *Foreign currencies transactions*

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign exchange differences are generally recognised in profit or loss.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021****3.2 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.

**3.3 Trade and other current receivables**

A receivable is recognised when the Company has an unconditional right to receive consideration. If revenue has been recognised before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable are measured at value less allowance for expected credit loss. Bad debts are written off when incurred.

**3.4 Inventories**

Finished goods are measured at the lower of cost (using average method) and net realizable value. The cost includes all production costs and attributable factory overheads.

Raw materials and packaging and supplies are measured at the lower of average cost and net realizable value and are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, changed, obsolete and slow-moving inventories.

**3.5 Investments in associate**

Investment in an associate in the separate financial statements of the Company is accounted for using the cost method. Investment in associate in the financial statements in which the equity method is applied is accounted for using the equity method.

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**3.6 Investment properties**

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Buildings and Building improvement	3 - 5 years
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No depreciation is provided on land or assets under construction.

**3.7 Property, plant and equipment**

Land is stated at revalued amount.

Buildings and equipment are measured at cost less accumulated depreciation and allowance for loss on impairment of assets.

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its 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 the carrying amount of land is increased as a result of a revaluation of the Company's land, the increase is credited directly to the other comprehensive income and the cumulative increase is recognized equity under the heading of "Revaluation surplus on land". However, a revaluation increase is recognized as income to the extent that it reserves a revaluation decrease in respect of the same asset previously recognized as an expense.

When the carrying amount of land is decreased as a result of a revaluation of the Company's land, the decrease is recognized in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on land" in respect of the same asset.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021**

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

Buildings	20	years
Building improvement	5-20	years
Machinery and equipment	3-10	years
Furniture, fixtures and office equipment	3-10	years
Motor vehicles	5-10	years

Depreciation is included in determining income

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

An item of property, plant and equipment is derecognized 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 the profit or loss when the asset is derecognized.

**3.8 *Bearer plants***

Rubber trees for tapping of latex is measured at cost less accumulated amortisation and allowance for impairment losses (if any). The cost consists of costs and expenses which are directly related to rubber tree seeding and plantation activities before the production period.

Amortisation is calculated based on cost of plantation of rubber trees that are ready for tapping on a straight-line basis over the estimated productive life of rubber trees, 25 years.

Amortisation is included in determining income.

No amortisation is provided on cost of plantation of rubber trees that are not ready for tapping.

Agricultural produce, which consists of latex is measured at fair value less costs to sell at the point of harvest.

Gains or losses on changes in the fair value of biological assets and agricultural produce are recognised in profit or loss.



**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**3.9 Intangible assets**

Intangible assets acquired are recognized at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortization and allowance for impairment losses (if any).

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

A summary of the intangible asset with finite useful lives is as follows.

Computer software	5 years
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**3.10 Impairment of assets**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount. Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

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

**3.11 Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease.

*As a lessee*

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021**

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Company is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

When the Company acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Company recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Company recognises finance lease receivables at the amount of the Company's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**3.12 Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**3.13 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 benefit plans***

The Company has obligations in respect of the compensation it must make to employees upon retirement under labor law. The Company treats these compensation 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 post-employment benefits are recognised immediately in other comprehensive income.

**3.14 Provisions**

Provisions are recognized when the Company 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.

**3.15 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 Company apply 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 Company measure 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.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021**

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

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

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

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

At the end of each reporting period, the Company determine 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.

**3.16 Revenue recognition***Sales of goods*

Revenue from sale of goods is recognised at point in time when the goods are delivered and control of goods is transferred to the customer based on the value after deducting estimates of goods return and discount.

*Rental income*

Rental income is recognised using the straight-line method over the period of lease.

*Interest income*

Interest income is recognised in profit and loss by using the effective interest method.

*Dividend income*

Dividend income is recognised when the right to receive the dividend is established.

**3.17 Expenses**

Expense are recognized in the statement of income on an accrual basis.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021****3.18 Income tax**

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

*Current tax*

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

*Deferred tax*

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

The Company recognize deferred tax liabilities for all taxable temporary differences while they recognize 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 Company review and reduce 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 Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**3.19 Earnings per share**

The Company presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**3.20 Financial instruments**

*Classification and measurement*

Financial assets and financial liabilities (except for trade accounts receivables) are initially recognised when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Financial assets and financial liabilities in foreign currencies are translated to the respective functional currencies of each entity in the Company at exchange rates at the dates of the transactions, and the balances at the end of reporting period are translated at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss.

*Derecognition and offset*

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*Derivatives*

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

*Impairment of financial assets*

The Company recognises allowances for expected credit losses (ECLs) on financial assets.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

**4 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:

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**Leases***The lease term with the option to extend the lease or terminate the lease - The Company as the lessee*

In determining the lease term, the management needs to make judgement upon the reasonably certain of the Company to exercise its option to extend the lease or terminate the lease, taking into account all relevant facts and circumstances that related to economic incentive for the Company to exercise its option.

*Determination of the Incremental Rate - The Company as the lessee*

The Company is unable to determine the interest rate implicit in the lease. Therefore, management is required to exercise judgement in determining the Company's incremental rate in determining the lease liability. The incremental rate is the interest rate of the Company's loans to acquire assets of close value to the right-of-use assets in a similar economic circumstance. The term and collateral are similar.

**Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts, financial situation of customer and forecasts of future economic conditions to determine expected credit losses in the accounting period.

**Reduce cost of inventories to net realisable value**

In determining a reduce cost of inventories to net realisable value, the management makes judgment and estimates net realisable value of inventories based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

**Property, plant and equipment/Depreciation**

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

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates as described in Note 13.



**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021**

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

**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.

**5 Related parties**

A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the group; a person or entity that are under common control or under the same significant influence as the Company or the Company has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationship with associate is described in notes 11. Other related parties that the Company had significant transactions with during the year were as follows:

<b>Name of entities / person</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Hon Chuan FD Packaging Company Limited	Thailand	The associate and having a representative as a director of the associate
Kawasho Foods Corporation	Japan	Shareholders of the Company and having a representative as a director of the Company
Chiang Sean Food Products Company Limited	Thailand	Common shareholder and director
Lampang Food Products Co., Ltd.,	Thailand	Common shareholder and director

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021**

The pricing policies for particular types of transactions are explained further below:

<b>Transaction</b>	<b>Pricing policy</b>
Sales of goods	Cost plus margin
Purchase of raw materials	Market price
Purchase of packaging and supplies	Market price
Rental income and other service charges	Contract price
Other expenses	Actual cost

The related party transactions for the year ended 31 December consisted of :

Unit : Thousand Baht

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	<b>2021</b>	<b>2020</b>
<b><i>For the years ended 31 December</i></b>		
<b>Associate</b>		
Rental income and other service charges	3,863	3,863
Purchase of packaging and supplies	9,938	5,711
Other expenses	21	-
<b>Other related company</b>		
Sales of goods	33,584	29,077
Purchase of raw materials	796	1,628
<b>Key management personnel</b>		
Short-term employee benefits	17,791	16,966
Post-employment benefits	287	372
<b>Total key management personnel benefits</b>	<b>18,078</b>	<b>17,338</b>

## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

Balances as at 31 December with related parties are as follows:

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
<b>Trade receivable (See Note 7)</b>		
Other related company	-	1,745
Less allowance for expected credit loss	-	(1)
<b>Total</b>	<b>-</b>	<b>1,744</b>
<b>Other current receivable (See Note 7)</b>		
Associate	333	333
<b>Total</b>	<b>333</b>	<b>333</b>
<b>Trade payables (See Note 18)</b>		
Associate	3,322	1,577
Other related company	-	375
<b>Total</b>	<b>3,322</b>	<b>1,952</b>

**6 Cash and cash equivalents**

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
Cash	40	40
Cash at banks - current accounts	351	(922)
Cash at banks - savings accounts	11,227	13,723
<b>Total</b>	<b>11,618</b>	<b>12,841</b>

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

## 7 Trade and other current receivables

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
<b>Trade receivables</b>		
Related party	-	1,745
Other parties	41,426	52,178
<b>Total</b>	<b>41,426</b>	<b>53,923</b>
<i>Less</i> allowance for expected credit loss	-	(19)
<b>Net</b>	<b>41426</b>	<b>53,904</b>
<b>Other current receivables</b>		
Other receivable - related party	333	333
Other receivable – other parties	539	589
Advance payments	24	-
Accrued interest income	4	6
Prepaid expenses	321	283
<b>Total</b>	<b>1,221</b>	<b>1,211</b>
<b>Total trade and other current receivables</b>	<b>42,647</b>	<b>55,115</b>

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
Reversal of expected credit losses for the year	19	72

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Aging analyses for trade accounts receivable are as follows:

	Unit : Thousand Baht	
	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2021	2020
<b>Related party</b>		
Aged on the basis of due dates		
Within credit terms	-	-
Overdue:		
Less than 3 months	-	1,745
3-6 months	-	-
Over 12 months	-	-
Total	-	1,745
Less allowance for expected credit loss	-	(1)
<b>Net</b>	<b>-</b>	<b>1,744</b>
<b>Other parties</b>		
Aged on the basis of due dates		
Within credit terms	37,356	46,290
Overdue:		
Less than 3 months	3,596	5,887
3-6 months	474	-
6-12 months	-	-
Over 12 months	-	1
Total	41,426	52,178
Less allowance for expected credit loss	-	(18)
<b>Net</b>	<b>41,426</b>	<b>52,160</b>
<b>Total trade receivables - net</b>	<b>41,426</b>	<b>53,904</b>

The normal credit terms granted by the Company ranges from 7 days to 60 days.

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

## 8 Inventories

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
Finished goods	49,469	26,103
Raw materials	45,754	47,019
Packaging and supplies	50,430	42,990
Goods in transit	351	1,606
<b>Total</b>	<b>146,004</b>	<b>117,718</b>
<i>Less</i> allowance for diminution in value of inventories	(24,106)	(20,825)
<b>Net</b>	<b>121,898</b>	<b>96,893</b>
	2021	2020
<i>Inventories recognised as an expense in 'cost of sales of goods':</i>		
Cost	533,040	599,350
Write-down to net realisable value	3,281	-
Reversal of loss on inventories revaluation	-	(3,750)
<b>Net</b>	<b>536,321</b>	<b>595,600</b>

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

## 9 Other financial assets

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
<b>Other current financial assets</b>		
Fixed deposit	1,000	1,000
Forward contracts to sell foreign currencies	-	107
<b>Total</b>	<b>1,000</b>	<b>1,107</b>
<b>Other non-current financial assets</b>		
Bank deposits used as collateral	901	901
<b>Total</b>	<b>901</b>	<b>901</b>

## 10 Other current assets

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
Refundable purchase tax	4,758	7,710
Tax coupons	327	614
Advance payment	4,257	3,321
Withholding income tax	1,767	1,134
Others	206	215
<b>Total</b>	<b>11,315</b>	<b>12,994</b>

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**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**11 Investment in associate***11.1* Details of associate

Unit : Thousand Baht

Name	Type of business	Ownership interest (%)		Paid-up capital		Cost		Equity		Dividend income for the year ended	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Hon Chuan FD Packaging Company Limited	Manufacture of plastic bottles and label	35	35	194,865	194,865	68,203	68,203	91,059	96,467	10,230	13,641
<b>Total</b>						<b>68,203</b>	<b>68,203</b>	<b>91,059</b>	<b>96,467</b>	<b>10,230</b>	<b>13,641</b>

The associate was incorporated and operate in Thailand



**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Summary of financial information of the associate

Unit : Thousand Baht

Hon Chuan FD Packaging  
Company Limited

	2021	2020
Revenues	306,109	299,341
Profit for the years from continuing operations	14,038	22,881
Other comprehensive income	-	117
Current assets	201,031	195,076
Non-current assets	98,732	114,896
Current liabilities	(34,443)	(28,479)
Non-current liabilities	(5,031)	(6,013)
<b>Net assets</b>	<b>260,289</b>	<b>275,480</b>
Shareholding percentage (%)	35	35
Share of net assets	91,101	96,418
Elimination entries	(42)	49
<b>Carrying amounts of associate based on equity method</b>	<b>91,059</b>	<b>96,467</b>

11.2 Movements of investment in associate

Movement of Investment in associate during the years ended 31 December 2021 and 2020 are as follows:

Unit : Thousand Baht

	Financial statements in which the equity method is applied		Separate financial statements	
	2021	2020	2021	2020
At 1 January	96,467	101,980	68,203	68,203
Share of profit from associate account for using equity method	4,822	8,087	-	-
Share of other comprehensive income from investment in associate	-	41	-	-
Dividend income	(10,230)	(13,641)	-	-
<b>At 31 December</b>	<b>91,059</b>	<b>96,467</b>	<b>68,203</b>	<b>68,203</b>

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**12 Investment properties**

Unit : Thousand Baht

Financial statements in which the equity method is applied and  
separate financial statements

	Land	Buildings	Building improvement	Total
<b>Cost</b>				
As at 1 January 2020	93,949	117	4,280	98,346
Transfer to Property, plant and equipment	-	-	(59)	(59)
<b>As at 31 December 2020</b>	<b>93,949</b>	<b>117</b>	<b>4,221</b>	<b>98,287</b>
<b>As at 31 December 2021</b>	<b>93,949</b>	<b>117</b>	<b>4,221</b>	<b>98,287</b>
<b>Accumulated depreciation</b>				
As at 1 January 2020	-	19	437	456
Depreciation charge for the year	-	38	846	884
Transfer to Property, plant and equipment	-	-	(12)	(12)
<b>As at 31 December 2020</b>	<b>-</b>	<b>57</b>	<b>1,271</b>	<b>1,328</b>
Depreciation charge for the year	-	39	844	883
<b>As at 31 December 2021</b>	<b>-</b>	<b>96</b>	<b>2,115</b>	<b>2,211</b>
<b>Net book value</b>				
<b>As at 31 December 2020</b>	<b>93,949</b>	<b>60</b>	<b>2,950</b>	<b>96,959</b>
<b>As at 31 December 2021</b>	<b>93,979</b>	<b>21</b>	<b>2,106</b>	<b>96,076</b>

The carrying amount of investment properties as at 31 December 2021 was amounting of Baht 94.56 million (2020 : 94.82 million) have been mortgaged and pledged as collateral against credit facilities received from financial institution on described in note 17 to the financial statement.

The fair values of the above investment properties of the Company amounting to Baht 119 million, were determined under market approach and income approach on an existing use basis.

For the year ended 31 December 2021 investment properties contributed rental income which recognised in profit and loss of Baht 11.39 million. (2020: Baht 10.80 million)

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## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

## 13 Property, plant and equipment

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements							Total	
	Land	Buildings	Building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation		Machinery in transit
<b>Cost / Revalued amount:</b>									
As at 1 January 2020	953,051	131,387	212,023	467,491	14,352	10,944	-	-	1,789,248
Additions	-	-	2,478	2,339	627	3,368	18	2,488	11,318
Transfer from investment properties	-	-	120	-	-	-	-	-	120
Transfer to right-of-use assets	-	-	-	-	-	(3,802)	-	-	(3,802)
Transfer	-	-	-	2,506	-	-	(18)	(2,488)	-
Disposals	-	-	-	(776)	(167)	(2,592)	-	-	(3,535)
<b>As at 31 December 2020</b>	<b>953,051</b>	<b>131,387</b>	<b>214,621</b>	<b>471,560</b>	<b>14,812</b>	<b>7,918</b>	<b>-</b>	<b>-</b>	<b>1,793,349</b>
Additions	113,911	-	-	909	671	-	-	-	115,491
<b>As at 31 December 2021</b>	<b>1,066,962</b>	<b>131,387</b>	<b>214,621</b>	<b>472,469</b>	<b>15,483</b>	<b>7,918</b>	<b>-</b>	<b>-</b>	<b>1,908,840</b>

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	Financial statements in which the equity method is applied and separate financial statements								Unit : Thousand Baht	
	Land	Buildings	Building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Machinery in transit		Total
<b>Accumulated depreciation</b>										
As at 1 January 2020	-	106,775	148,018	403,726	11,784	8,917	-	-	-	679,220
Depreciation charge	-	4,468	5,216	10,943	849	177	-	-	-	21,653
Transfer from investment properties	-	-	73	-	-	-	-	-	-	73
Transfer to right-of-use assets	-	-	-	-	-	(384)	-	-	-	(384)
Disposals	-	-	-	(771)	(122)	(2,591)	-	-	-	(3,484)
As at 31 December 2020	-	111,243	153,307	413,898	12,511	6,119	-	-	-	697,078
Depreciation charge	-	4,456	5,104	8,697	715	44	-	-	-	19,016
As at 31 December 2021	-	115,699	158,411	422,595	13,226	6,163	-	-	-	716,094
<b>Allowance for impairment loss</b>										
As at 31 December 2020	-	-	1,937	18,847	53	-	-	-	-	20,837
As at 31 December 2021	-	-	1,937	18,847	53	-	-	-	-	20,837

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## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

	Financial statements in which the equity method is applied and separate financial statements							Unit : Thousand Baht	
	Land	Buildings	Building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation		Machinery in transit
<i>Net book value</i>									
As at 31 December 2020	953,051	20,144	59,377	38,815	2,248	1,799	-	-	1,075,434
As at 31 December 2021	1,066,962	15,688	54,273	31,027	2,204	1,755	-	-	1,171,909

During the 2021, the Company had adjusted to increase the fair value of land in the amount of Baht 113.91 million. As a result, the revaluation surplus on land in other comprehensive income has increased in the amount of Baht 91.13 million (net of tax Baht 22.78 million).

The gross carrying amount of any fully depreciated buildings and equipment that were still in use as at 31 December 2021 was amounted to Baht 518.32 million (2020 : Baht 462.34 million)

## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

Certain plots of its land with constructions thereon and certain machinery, with book values as at 31 December 2021 amounting to approximately Baht 1,081.12 million (2020 : Baht 970.65 million), have been mortgaged and pledged as collateral against credit facilities received from financial institutions as described in Note 17 and 19 to the financial statements.

The Company arranged for an independent professional valuer to appraise the value of its land in 2021 by using the market approach.

Key assumptions used in the valuation are summarised below:

Price per rai (Baht)	1,800,000 – 3,300,000
Result to fair value where as an increase in assumption value	Increase in fair value

The fair value measurement for land has been categorized on a level 3 inputs

## 14 Bearer plants

Unit : Thousand Baht

Financial statements in which the equity method is applied and  
separate financial statements

	Rubber plantations		
	Mature	Immature	Total
<b>Cost</b>			
As at 1 January 2020	-	28,455	28,455
Additions	-	2,725	2,725
<b>As at 31 December 2020</b>	-	<b>31,180</b>	<b>31,180</b>
Additions	-	1,150	1,150
Transfer	17,068	(17,068)	-
<b>As at 31 December 2021</b>	<b>17,068</b>	<b>15,262</b>	<b>32,330</b>
<b>Amortisation</b>			
As at 1 January 2021	-	-	-
Amortisation charge for year	292	-	292
<b>As at 31 December 2021</b>	<b>292</b>	-	<b>292</b>
<b>Net book value</b>			
<b>As at 31 December 2020</b>	-	<b>31,180</b>	<b>31,180</b>
<b>As at 31 December 2021</b>	<b>16,776</b>	<b>15,262</b>	<b>32,038</b>

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## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

## 15 Right-of-use assets

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements		
	Right of use assets		
	Office building space	Vehicle	Total
<b>Cost</b>			
As at 1 January 2020	-	-	-
The adjustments of right-of-use assets due to Thai Financial Reporting Standard	2,050	874	2,924
Additions	-	2,928	2,928
<b>As at 31 December 2020</b>	<b>2,050</b>	<b>3,802</b>	<b>5,852</b>
Additions	-	-	-
<b>As at 31 December 2021</b>	<b>2,050</b>	<b>3,802</b>	<b>5,852</b>
<b>Amortisation</b>			
As at 1 January 2020	-	241	241
Amortisation charge for year	911	142	1,053
<b>As at 31 December 2020</b>	<b>911</b>	<b>383</b>	<b>1,294</b>
Amortisation charge for year	911	334	1,245
<b>As at 31 December 2021</b>	<b>1,822</b>	<b>717</b>	<b>2,539</b>
<b>Net book value</b>			
<b>As at 31 December 2020</b>	<b>1,139</b>	<b>3,419</b>	<b>4,558</b>
<b>As at 31 December 2021</b>	<b>228</b>	<b>3,085</b>	<b>3,313</b>

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**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021**

Expense relating to leases recognised in profit or loss for the years ended 31 December 2021 and 2020 are as follows:

Unit : Thousand Baht

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2021	2020
Depreciation of right-of-use assets	1,245	1,294
Interest on lease liabilities	75	72
Expenses relating to leases of low-value assets	600	600



## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

## 16 Intangible assets

	Unit : Thousand Baht
	Financial statements in which the equity method is applied and separate financial statements
<i>Computer software</i>	
<i>Cost</i>	
As at 1 January 2020	9,576
Additions	715
<b>As at 31 December 2020</b>	<b>10,291</b>
Additions	-
<b>As at 31 December 2021</b>	<b>10,291</b>
<i>Amortisation</i>	
As at 1 January 2020	8,620
Amortisation charge for year	1,098
<b>As at 31 December 2020</b>	<b>9,718</b>
Amortisation charge for year	143
<b>As at 31 December 2021</b>	<b>9,861</b>
Net book value	
<b>As at 31 December 2020</b>	<b>573</b>
<b>As at 31 December 2021</b>	<b>430</b>

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**17 Bank overdrafts and short-term loans from financial institutions**

Unit : Thousand Baht

	Interest rate <i>(% per annum)</i>	Financial statements in which the equity method is applied and separate financial statements	
		2021	2020
Bank overdrafts	MOR	-	-
Promissory notes	2.49% – 3.30%	29,200	60,000
	And the rates based on BIBOR + 1.75%		
<b>Total</b>		<b>29,200</b>	<b>60,000</b>

Banks overdrafts and short-term loans from financial institutions are secured by certain plots of land with constructions, thereon, certain machinery and Investment properties as described in Note 12 and 13 to the financial statements.

**18 Trade and other current payables**

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
<b>Trade payables</b>		
Associate	3,322	1,577
Related parties	-	375
Other parties	51,166	38,769
<b>Total</b>	<b>54,488</b>	<b>40,721</b>
<b>Other current payables</b>		
Other payables - Other parties	11,802	10,184
Accrued expenses	16,140	23,434
Advance received	73	15
<b>Total</b>	<b>28,015</b>	<b>33,633</b>
<b>Total trade and other current payables</b>	<b>82,503</b>	<b>74,354</b>

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**19 Long-term loan from financial institution**

Unit : Thousand Baht

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2021	2020
Long-term loan from financial institution	43,530	52,941
<i>Less</i> Current portion	(14,452)	(9,412)
<b>Long-term loan from financial institution, net of current portion</b>	<b>29,078</b>	<b>43,529</b>

On 7 April 2020, the Company entered into an agreement with a commercial bank in the amount of Baht 20 million according to the measures of soft loan with low-interest for entrepreneurs affected by the spread of the 2019 coronavirus outbreak (COVID-19). The loan bears interest at a rate 2.00% per annum and shall be repaid in monthly installments, commencing in April 2022.

On 10 May 2019, the Company entered into an agreement with a local financial institution to obtain a long-term facility of Baht 40 million. The loan bears interest at a rate based on BIBOR 6 month + 2.25% per annum and shall be repaid in quarterly installments, commencing in May 2020.

Long-term loan is collateralised by certain plots of its land with constructions thereon and certain machinery as described in Note 13.

**20 Lease liabilities**

Lease liabilities as at 31 December are summarized as follows:

Unit : Thousand Baht

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2021	2020
Lease liabilities	2,075	3,737
<i>Less</i> Deferred interest expenses	(53)	(128)
<b>Total</b>	<b>2,022</b>	<b>3,609</b>
<i>Less</i> Portion due within one year	(916)	(1,587)
<b>Lease liabilities - net of current portion</b>	<b>1,106</b>	<b>2,022</b>

## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

Finance lease commitments as at 31 December is detailed as follows:

	Unit : Thousand Baht	
	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
<b><i>Within one year</i></b>		
Future minimum lease payments	948	1,662
<i>Less</i> Deferred interest	(32)	(75)
Present value of minimum lease payments	916	1,587
<b><i>After one year but within five years</i></b>		
Future minimum lease payments	1,127	2,075
<i>Less</i> Deferred interest	(21)	(53)
Present value of minimum lease payments	1,106	2,022

**21 Non-current provisions for employee benefits**

Obligations are as follows:

	Unit : Thousand Baht	
	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
Present value of unfunded obligations	38,332	40,104

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Movements in the present value of the defined benefit obligations

Unit : Thousand Baht

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2021	2020
Defined benefit obligations at 1 January	40,104	37,443
Actuarial (gain) loss reconisid in other comprehensive income	(1,320)	2,414
Current service costs	2,068	2,208
Interest on obligation	397	411
Benefit paid	(2,917)	(2,372)
<b>Defined benefit obligations at 31 December</b>	<b>38,332</b>	<b>40,104</b>
 <b>Items recognised in profit or loss</b>		
Current service costs	2,068	2,208
Interest on obligation	397	411
<b>Total</b>	<b>2,465</b>	<b>2,619</b>
 <b>Items recognised in comprehensive income</b>		
Actuarial (gain) loss	(1,320)	2,414
<b>Total</b>	<b>(1,320)</b>	<b>2,414</b>

Items relating to long-term employee benefit expenses are include in profit and loss accounts as follows:

Unit : Thousand Baht

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2021	2020
Cost of sale	1,596	1,679
Selling and administrative expenses	869	940
<b>Total</b>	<b>2,465</b>	<b>2,619</b>

## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

Actuarial losses (gains) recognised in other comprehensive income as of the end of the reporting period arising from:

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
<b><i>For the years ended 31 December</i></b>		
Demographic assumptions	-	(2)
Financial assumptions	(380)	1,844
Experience adjustment	(940)	572
<b>Total</b>	<b>(1,320)</b>	<b>2,414</b>

***Actuarial assumptions***

Principal actuarial assumptions at the end of the reporting period

	Financial statements in which the equity method is applied and separate financial statement	
	2021	2020
	(%)	
Discount rate*	1.67	2.55
Salary increase rate	4.0	4.0
Employee turnover rate**	3.34 – 40.11	3.34 – 40.11
Mortality rate***	105.0	105.0

\* Market yield from government's bond for legal severance payments plan

\*\* Upon the length of service

\*\*\* Reference from TMO2017: Thai Mortality Ordinary Table of 2017

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

*Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provision for defined benefit plans by the amounts shown below.

	Financial statements in which the equity method is applied and separate financial statement	
	2021	2020
	<i>Increase (decrease)</i>	
Discount rate		
1% increase	(1,558)	(1,678)
1% decrease	1,749	1,880
Salary increase rate		
1% increase	1,690	2,175
1% decrease	(1,539)	(1,937)
Employee turnover rate		
20% increase	(1,365)	(1,722)
20% decrease	1,568	1,938

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

## 22 Share Capital

	Par Value (in Baht)	Financial statements in which the equity method is applied and separate financial statements			
		2021		2020	
		Number of share	Amount baht	Number of share	Amount baht
<b>Authorized Share Capital</b>					
At 1 January					
- ordinary shares	10	17,624	176,243	17,624	176,243
At 31 December					
- ordinary shares		<b>17,624</b>	<b>176,243</b>	<b>17,624</b>	<b>176,243</b>
<b>Issued and paid - up</b>					
At 1 January					
- ordinary shares	10	17,624	176,243	17,624	176,243
At 31 December					
- ordinary shares		<b>17,624</b>	<b>176,243</b>	<b>17,624</b>	<b>176,243</b>

**Share premium**

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.



**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021****23 Statutory reserve and Other components of equity****Statutory reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**Other components of equity***Revaluation surplus on land*

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

**24 Segment information**

Operating segment information is reported in a manner consistent with the internal reports that is 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 by segment operating profit. The following summary describes the operations in each of the Company’s reportable segments.

- Segment 1 manufacture and distribution of food and beverage
- Segment 2 manufacture and sale of products from rubber trees

Revenue from sales of products of the Company came from food and beverage and products from rubber trees and recognised at a point in time.

## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

The segmental financial information of the Company for the year ended 31 December 2021 and 2020 are as follows:

Unit : Thousand Baht

	Financial statements in which the equity method is applied					
	Food and beverage		Products from rubber trees		Total	
	2021	2020	2021	2020	2021	2020
Export sales	385,339	457,572	-	-	385,339	457,572
Domestic sales	236,058	237,051	680	-	236,738	237,051
	621,397	694,623	680	-	622,077	694,623
Other income	-	-	680	-	680	-
Total revenues	621,397	694,623	1,360	-	622,757	694,623
Profit (loss) for reportable segments	(6,356)	2,370	(316)	-	(6,672)	2,370
Unallocated other income					22,830	20,578
Finance costs					(3,121)	(5,493)
Share of profit of associate accounted for using equity					4,822	8,086
Income tax expense					(8,573)	(1,269)
<b>Profit for the year</b>					<b>9,286</b>	<b>24,272</b>

The following table presents segment assets of the Company as at 31 December 2021 and 2020 are as follows.

Unit : Thousand Baht

	Financial statements in which the equity method is applied					
	Food and beverage		Products from rubber trees		Total	
	2021	2020	2021	2020	2021	2020
Assets by reportable segments	477,944	445,515	879,550	784,673	1,357,494	1,230,188
Other unallocated assets					227,802	256,305
<b>Total assets</b>					<b>1,585,296</b>	<b>1,486,493</b>

## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

## 25 Expenses by nature

The statements of income include an analysis of expenses by function. Significant expenses by nature disclosed in accordance with the requirements of various financial reporting standards were as follows:

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
Changes in inventories of finished goods	(23,366)	17,490
Raw materials and consumables used	339,192	363,029
Employee benefit expenses	151,458	163,025
Depreciation and amortisation	21,577	24,547
Advertising and promotion expenses	730	588
Rental expenses from operating lease agreements	3,409	3,493

## 26 Income tax

*Income tax recognised in profit or loss*

Unit : Thousand Baht

	Financial statements in which equity method is applied		Separate financial statements	
	2021	2020	2021	2020
<b>Current tax expense</b>				
Current year	-	-	-	-
<b>Deferred tax expense</b>				
Relating to origination and reversal of temporary differences	8,573	1,269	8,573	1,269
<b>Income tax expenses</b>	<b>8,573</b>	<b>1,269</b>	<b>8,573</b>	<b>1,269</b>

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

*Income tax recognised the statements of other comprehensive income*

Unit : Thousand Baht

	Financial statements		Separate	
	in which equity		financial statements	
	method is applied			
	2021	2020	2021	2020
Changes in revaluation of land	(22,782)	-	(22,782)	-
Actuarial (gain) loss	(264)	483	(264)	483
Share of profit from investment in associate	-	(10)	-	-
<b>Total</b>	<b>(23,046)</b>	<b>473</b>	<b>(23,046)</b>	<b>483</b>

## Reconciliation of effective tax rate

Unit : Thousand Baht

	Financial statements in which equity method is applied			
	2021		2020	
	Rate	(in thousand Baht)	Rate	(in thousand Baht)
Profit before income tax expense		17,859		25,541
Income tax using the Thai corporation tax rate	20	3,572	20	5,108
Effects of:				
Share of profit (loss) from investment in associate		(964)		(1,617)
Items treated as revenues		(353)		(957)
Items not treated as expenses		868		258
Loss carry forward		3,123		2,792
Income tax for the year		-		-
Movement in Temporary differences		8,573		1,269
<b>Income tax expenses</b>		<b>8,573</b>		<b>1,269</b>

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## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

Unit : Thousand Baht

	Separate financial statements			
	2021		2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		23,268		31,095
Income tax using the Thai corporation tax rate	20	4,654	20	6,219
Effects of:				
Items treated as revenues		(2,399)		(3,685)
Items not treated as expenses		868		258
Loss carry forward		3,123		2,792
Income tax for the year		-		-
Movement in Temporary differences		8,573		1,269
Expenses Income tax		<b>8,573</b>		<b>1,269</b>

Deferred tax assets and liability as at 31 December are as follows :

Unit : Thousand Baht

	Financial statements in which equity method is applied		Separate financial statements	
	2021	2020	2021	2020
	<b>Deferred tax assets</b>			
Allowance for impairment loss on trade account receivables	-	4	-	4
Allowance for diminution in value of inventories	4,821	4,165	4,821	4,165
Allowance for impairment loss on assets	467	603	467	603
Provision for long-term employee benefits	7,667	8,021	7,667	8,021
Unused tax loss	5,600	14,602	5,600	14,602
Lease liabilities	37	212	37	212
<b>Total</b>	<b>18,592</b>	<b>27,607</b>	<b>18,592</b>	<b>27,607</b>
<b>Deferred tax liability</b>				
Revaluation surplus on land	228,362	205,580	228,362	205,580
Right-of-use assets	28	206	28	206
<b>Total</b>	<b>228,390</b>	<b>205,786</b>	<b>228,390</b>	<b>205,786</b>
<b>Deferred tax liabilities - net</b>	<b>209,798</b>	<b>178,179</b>	<b>209,798</b>	<b>178,179</b>

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**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Movements in deferred tax assets and liabilities during for the years are detailed as follows:

	(Charged) / Credited to:		(Charged) / Credited to:		31 December comprehensive income	31 December comprehensive income
	Profit or loss	Other comprehensive income	Profit or loss	Other comprehensive income		
<b>Deferred tax assets</b>						
Allowance for impairment loss on trade account receivables	18	(14)	4	(4)	-	-
Allowance for diminution in value of inventories	5,479	(1,314)	4,165	656	-	4,821
Allowance for impairment loss on assets	809	(206)	603	(136)	-	467
Provision for long-term employee benefits	7,489	49	8,021	(90)	(264)	7,667
Unused tax loss	14,391	211	14,602	(9,002)	-	5,600
Lease liabilities	-	212	212	(175)	-	37
<b>Total</b>	<b>28,186</b>	<b>(1,062)</b>	<b>27,607</b>	<b>(8,751)</b>	<b>(264)</b>	<b>18,592</b>
<b>Deferred tax liability</b>						
Revaluation surplus on land	205,580	-	205,580	-	22,782	228,362
Right-of-use assets	-	206	206	(178)	-	28
<b>Total</b>	<b>205,580</b>	<b>206</b>	<b>205,786</b>	<b>(178)</b>	<b>22,782</b>	<b>228,390</b>
<b>Deferred tax liabilities - net</b>	<b>177,394</b>	<b>(1,268)</b>	<b>178,179</b>	<b>(8,573)</b>	<b>(23,046)</b>	<b>209,798</b>

Unit : Thousand Baht

**Financial statements in which the equity method is applied and separate financial statements**

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2021**

As at 31 December 2021, the Company has unused tax losses totaling Baht 7 million , on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses, on which deferred tax assets have been recognized to Baht 28 million (2020: Baht 73 million) will expire by 2023.

**27 Earnings per share**

The calculation of basic earnings per share for each of the year ended 31 December 2021 and 2020 is based on the profit for each year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during each year as follows:

Unit : Thousand Baht/thousand shares

	Financial statement in which		Separate	
	equity method is applied		financial statements	
	2021	2020	2021	2020
Profit attributable to ordinary shareholders of the Company	<u>9,286</u>	<u>24,272</u>	<u>14,695</u>	<u>29,826</u>
Number of ordinary shares outstanding	<u>17,624</u>	<u>17,624</u>	<u>17,624</u>	<u>17,624</u>
Earnings per share (basic) (in Baht)	<u>0.53</u>	<u>1.38</u>	<u>0.83</u>	<u>1.69</u>

**28 Financial instruments***28.1 Carrying amounts and fair values*

As at 31 December 2021, the fair value of other financial assets and liabilities, do not differ significantly from amount recorded in the statement of financial position.

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

The fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value through profit or loss.

Unit : Thousand Baht

**Financial statements in which the equity method  
is applied and separate financial statements**

	Fair value			
	Level 1	Level 2	Level 3	Total
<b>31 December 2021</b>				
<b>Financial liabilities</b>				
Forward exchange contracts	-	(1,134)	-	(1,134)
<b>31 December 2020</b>				
<b>Financial assets</b>				
Forward exchange contracts	-	107	-	107

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

*Valuation techniques*

Level 2 fair value for forward exchange contract, is determined by using observable forward exchange rates at the end of the reporting periods and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

*28.2 Financial risk management policies*

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.



**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

*Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

*Trade account receivable*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets are as follows:

	Unit : Thousand Baht	
	Financial statements in which the equity method is applied and separate financial statement	
	Trade accounts receivables	Allowance for expected credit loss
<b><i>As at 31 December 2021</i></b>		
Within credit terms	37,356	-
Overdue:		
1-30 days	1,948	-
31-60 days	1,191	-
61-90 days	457	-
More than 90 days	474	-
<b>Total</b>	<b>41,426</b>	<b>-</b>
<i>Less</i> allowance for expected credit loss	-	
<b>Net</b>	<b>41,426</b>	<b>-</b>

## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

Unit : Thousand Baht

**Financial statements in which the  
equity method is applied and  
separate financial statement**

	Trade accounts receivables	Allowance for expected credit loss
<b>As at 31 December 2020</b>		
Within credit terms	46,290	12
Overdue:		
1-30 days	7,606	6
31-60 days	25	1
61-90 days	2	-
More than 90 days	-	-
<b>Total</b>	<b>53,923</b>	<b>19</b>
Less allowance for expected credit loss	(19)	
<b>Net</b>	<b>53,904</b>	

Movement of allowance for expected credit loss of trade accounts receivables are as follows:

Unit : Thousand Baht

**Financial statements in which the  
equity method is applied and  
separate financial statement**

	2021	2020
At 1 January	19	91
Addition	-	-
Reversal	(19)	(72)
<b>At 31 December</b>	<b>-</b>	<b>19</b>

*Cash and cash equivalent and derivatives*

The Company's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions with a minimum credit rating.

*Liquidity risk*

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

As at 31 December 2021, the remaining contractual maturities of financial liabilities ,which the amounts are gross and undiscounted and exclude contractual interest payments and exclude the impact of netting agreements, are as follows:

Unit : Thousand Baht

**Financial statements in which the equity method is applied  
and separate financial statement**

	Carrying amount	Contractual cash flow			Total
		1 year or less	More than 1		
			year but less than 5 years	More than 5 years	
<i>As at 31 December 2021</i>					
<b>Financial liabilities</b>					
Short term loans from financial institutions	29,200	29,200	-	-	29,200
Trade payables	82,503	82,503	-	-	82,503
Long term loans from financial institutions	43,530	14,452	29,078	-	43,530
Lease liabilities	2,075	948	1,127	-	2,075
	<b>157,308</b>	<b>127,103</b>	<b>30,205</b>	<b>-</b>	<b>157,308</b>

As at 31 December 2020, the remaining contractual maturities of financial liabilities ,which the amounts are gross and undiscounted and exclude contractual interest payments and exclude the impact of netting agreements, are as follows:

Unit : Thousand Baht

**Financial statements in which the equity method is applied  
and separate financial statement**

	Carrying amount	Contractual cash flow			Total
		1 year or less	More than 1		
			year but less than 5 years	More than 5 years	
<i>As at 31 December 2020</i>					
<b>Financial liabilities</b>					
Short term loans from financial institutions	60,000	60,000	-	-	60,000
Trade payables	74,354	74,354	-	-	74,354
Long term loans from financial institutions	52,941	9,412	43,529	-	52,941
Lease liabilities	3,737	1,662	2,075	-	3,737
	<b>191,032</b>	<b>145,428</b>	<b>45,604</b>	<b>-</b>	<b>191,032</b>

*Market risk*

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivatives for speculative or trading purposes.

## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

*Foreign currency risk*

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

Foreign currency risk relating to financial assets and liabilities denominated in foreign currencies and forward exchange contracts with maturities of less than one year as follows:

<b>Financial statements in which the equity method is applied and separate financial statements</b>				
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
			Exchange rates	
	<i>(Thousand)</i>		<i>(Baht per 1 foreign currency unit)</i>	
<b>Financial assets</b>				
US dollar	362	628	33.2469	29.8674
<b>Financial liabilities</b>				
US dollar	24	48	33.5929	30.2068
EUR	-	46	-	37.2578
<b>Forward exchange contracts</b>				
US dollar	2,650	737	33.4199	30.0371

Unit : Thousand Baht

<b>Financial statements in which the equity method is applied and separate financial statements</b>		
	2021	2020
<b>As at 31 December</b>		
<b>Exposure to foreign currency</b>		
<b>US dollar</b>		
Cash and cash equivalents	12	11
Trade and other current receivables	12,013	18,746
Trade and other current payables	806	1,446
<b>Gross Balance Sheet exposure</b>	<b>11,219</b>	<b>17,311</b>
<b>EUR</b>		
Trade and other current payables	-	1,714
<b>Gross Balance Sheet exposure</b>	<b>-</b>	<b>1,714</b>

## Food and Drinks Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2021

Sensitivity analysis of strengthening (weakening) of the foreign currencies with a movement of 10% at reporting date are as follows :

Unit : Thousand Baht

<i>As at 31 December 2021</i>	Financial statements in which the equity method is applied and separate financial statements				
	Movement (%)	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
US dollar	10	1,122	(1,122)	-	-

Unit : Thousand Baht

<i>As at 31 December 2020</i>	Financial statements in which the equity method is applied and separate financial statements				
	Movement (%)	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
US dollar	10	1,731	(1,731)	-	-
Euro	10	171	(171)	-	-

*Interest rate risk*

The Company's exposure to interest rate risk relates primarily to its cash at banks, current investment, restricted bank deposit, bank overdrafts and short-term loans, long-term loan and liabilities under finance lease agreements. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

*28.3 Capital management*

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, according to the statement of financial position in which equity method is applied, the Company's debt-to-equity ratio was 0.35:1 (2020: 0.38:1) and according to the separate financial statements, the Company's debt-to-equity ratio was 0.35:1 (2020:0.39:1).

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**29 Commitments with non-related parties**

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2021	2020
<b><i>Future minimum lease payment under non-cancellabel</i></b>		
<b><i>Operating lease and service contracts</i></b>		
Within one year	1,280	1,413
After one year but within five years	273	525
<b>Total</b>	<b>1,553</b>	<b>1,938</b>
<b><i>Other commitments</i></b>		
Bank guarantees	33,239	33,151
Forward exchange contracts	87,442	22,242
<b>Total</b>	<b>120,681</b>	<b>55,393</b>

***Operating lease Commitments***

As at 31 December 2021, the Company has entered into several lease agreements in respect of the lease of equipment and service agreements. The terms of the agreements are between 1 and 3 years.

***Bank guarantees***

As at 31 December 2021, there were outstanding bank guarantees issued by banks on behalf of the Company in respect of certain performance commitment as required in the normal course of business, including letters of guarantee for electricity.

***Forward exchange contract***

As at 31 December 2021, the Company entered into forward exchange contracts to sell totalling Baht 87.44 million (USD 2.65 million) These contracts are due from 4 January 2022 - 7 June 2022.

***Unused credit facilities***

As at 31 December 2021, the Company had unused overdrafts and short-term loans facilities from financial institutions totalling Baht 299.56 million. (2020: Baht 228.85 million)

**30 Approval of financial statements**

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



**Part 4**  
**Certification of Information and Data Accuracy for Submitting**


The Company has reviewed the information on this annual registration statement /annual report with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

(1) The financial statements and financial information summarized in this annual registration statement /annual report show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries.

(2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system.

(3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment on the latest date available to the auditor and the Audit Committee, which covers deficiencies, significant changes to the internal control system, and wrongful acts that may affect the preparation of financial report of the Company and the subsidiaries.

As evidence that all documents are identical to those certified by Food and Drinks Public Company Limited, The Company has assigned Miss Huai Hui Lee to put her initials on every page of the documents. Therefore, if her initials are missing on any given page, Food and Drinks Public Company Limited will disown such data.

Name	Position	Signature
1. <u>Miss Huai Hui Lee</u> .....	<u>Chief Operating Officer</u>	
2. <u>Mrs. Chintana Asdornnithee</u> .....	<u>Executive Director</u>	
Authorized person	Position	Signature
<u>Miss Huai Hui Lee</u> .....	<u>Company Secretary</u>	



## Attachment 1



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### Charter of the Board of Directors

The Board of Directors is legally responsible for supervising the company's operations and is responsible for all stakeholders including customers, shareholders, employees, partners, trade creditors, competitors, Environment, Society and Communities

The Board of Directors and management are working together. The Chief Executive Officer and Chief Operating Officer are responsible for the day-to-day operations of the Company in relation to planning, execution, decision making and operations. The Board of Directors comments on the action plan and proposes a strategy and monitors the company's operations and performance.

The Company has prepared the Charter of the Board of Directors in accordance with the securities regulatory regulations and guidelines. And the Stock Exchange of Thailand (SEC) as follows:

#### 1. Objectives

The Board of Directors, as a representative of shareholders, is responsible for supervising the management of the Company's work in accordance with the law. The Company's objectives and regulations are defined by establishing vision, mission, strategy to create value for the business as well as generate return on investment. Under the expertise and code of conduct for the best interests of stakeholders.

#### 2. Composition and appointment

- 2.1 The Board of Directors consists of at least 5 directors, consisting of at least one third of the total number of independent directors, but not less than 3 directors, and at least half of the total number of directors must be residing in the Kingdom.
- 2.2 The Board of Directors selects one of the directors as chairman of the Board of Directors.
- 2.3 Appointment of directors in accordance with the Company's articles of association and the requirements of the relevant laws. This must be transparent and clear.
  - 2.3.1 In case the director completes the term of resignation from the position of Director The Shareholders' Meeting shall consider the appointment of directors by resolution of the appointment of directors. A majority of shareholders' votes must be obtained at the meeting and voted on. to vote If there's the same number of votes. The chairman of the meeting shall have another vote as a decisive voice.



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2.4 The board structure consists of qualified persons with knowledge of various professional skills. Have experience and expertise that is useful for business operations without limiting gender, ethnicity, religion, age or professional skills.

### 3. Features

3.1 Directors must be knowledgeable persons. The ability and experience to conduct business is honest, ethical and has sufficient time to fully devote to the director's duties.

3.2 Directors can serve as directors in up to 3 listed companies on the Stock Exchange of Thailand.

3.3 Have qualifications and are not prohibited by law on public limited companies and other relevant laws, and must not have characteristics that indicate a lack of suitability to be trusted to manage the business. The Public is the shareholder in accordance with the notification of the Securities Commission. 3.4 Independent directors must be qualified to be independent of management's control. Major shareholders must have no interest or interest in management decisions and can take care of the interests of shareholders. All incomes are equal and do not cause conflicts of interest.

### 4. Duties of the Board of Directors

4.1 Manage the business in the best interest of the shareholders (Fiduciary Duty) by virtue of 4 important practices as follows:

4.1.1 Duty of Care

4.1.2 Duty of Loyalty

4.1.3 Compliance with regulations, regulations and resolutions of the Shareholders' Meeting (Duty of Obedience)

4.1.4 Disclosure of information to shareholders correctly Duty of Disclosure

4.2 Formulate a vision, mission, so that executives and employees aim in the same direction and consider, Review and approve the company's vision and mission every year.

4.3 Define core business policies financial policy, capital raising policy, capital management and risk management policy for management to implement.

4.4 Have the power to designate and amend the names of directors who have the power to sign and bind the Company

4.5 Supervise the business in accordance with or better than the set goals and formulate solutions in the event of obstacles in achieving that goal.



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- 4.6 Prepare general reporting and financial statements to shareholders and stakeholders correctly. Complete, transparent and compliant with the law.
- 4.7 Be informed of important audit reports and formulate improvements in case of material defects.
- 4.8 Appropriate risk policy and risk management policy Regular monitoring and assessment of risk management by disclosing the adequacy of risk management in the annual report.

#### 5. Duties of the Chairman of the Board of Directors

- 5.1 Call a meeting of the Board of Directors by acting as chairman of the Board of Directors' meeting. In case of a decisive diagnosis of the meeting. If the votes are the same, you're going let the president vote one more tone as a decisive vote.
- 5.2 Set an agenda to lead and conduct meetings according to the agenda. Allocate sufficient time and encourage all directors to participate in discussions, exercise discretion and express their opinions independently.
- 5.3 Build good relationships between the Board of Directors and management
- 5.4 Make clear the scope of responsibilities between the Board of Directors and the Management.
- 5.5 Representing and building a reputation for the organization
- 5.6 Represent shareholders in leading the annual general meeting.
- 5.7 Participate in the creation of an effective strategic planning movement in a practical way.
- 5.8 It is responsible for the pursuit of qualified directors to join the Board of Directors and develop the board of directors.
- 5.9 Supervising the Board of Directors the Company also evaluates the performance of the work. Communicate to pass on expectations to the Board of Directors.
- 5.10 Create succession planning movements and evaluations of the performance of chief executive officers.

#### 6. Term of Office

- 6.1 Board of Directors holds the position for 3 years at a time, which must be retired at all times of the annual general meeting of shareholders, and at the maturity of the term may be considered by the shareholders to be the next directors. I'll be back 6.2 For the term of office of a sub-committee, the term of director shall be in accordance with the term of directorship.



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## 7. Meetings

- 7.1 At the Board of Directors' meeting, at least half of the directors attended the meeting. All are therefore considered quorums.
- 7.2 At least 6 meetings are scheduled per year and additional special sessions may be scheduled as needed.
- 7.3 The Chairman of the Board of Directors will approve and set the agenda.
- 7.4 Delivery of invitation letter with agenda and supporting documents to the Directors At least 7 days in advance, unless urgent, documents may be received at a later date, but before a reasonable meeting.
- 7.5 Any directors who have a stake in the matter shall inform the stakeholders and prohibit them from attending the meeting. Consider that.
- 7.6 The Chairman of the Board of Directors acts as chairman of the meeting, responsible for overseeing the allocation of time but agenda sufficiently. For directors to discuss important issues

## 8. Reporting

Directors are required to report their performance to shareholders in the company's annual information form (Form 56-1 One Report) with at least the details as required by law. Regulations or regulations relating to

## 9. Evaluation

The Board of Directors conducts self-assessments on the performance of both faculty and individual committees annually. To review the performance, problems and obstacles of the past year in order to make the work of the Board and management more efficient.

This Charter was approved by the Board of Directors at the Meeting No. 1/2021 on January 15, 2021 and will be effective from January 15, 2021 onwards.

(Mr.Phirasilp Subhapholsiri)  
Chairman, Independent Director



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### Charter of the Audit Committee

Board of Directors of Food and Drinks Public Company Limited To recognize and recognize the importance of good corporate governance and social responsibility, and stakeholders have set up an audit committee to be an independent organization to support and operate on behalf of the Board of Directors. To review the financial information offered to shareholders and related parties. Review the internal control system and communication with the Company's auditors.

The Audit Committee of Food and Drinks Public Company Limited has jointly considered the preparation of this charter with the approval of the Board of Directors so that the Audit Committee can perform its duties as assigned by the Board of Directors. The Audit Committee is qualified. The following roles and tasks are performed:

#### 1. Features and elements

1.1 The Audit Committee consists of at least 3 independent directors who have not served a executives with qualifications as specified by the Stock Exchange of Thailand and appointed by the Board of Directors.

At least 1 audit committee member has sufficient knowledge or experience in accounting or finance to review the credibility of financial statements and continuously improve knowledge in accounting or finance. To assess the impact on the reliability of financial statements.

1.2 Audit Committee has a term of office of 3 years at a time or ends by resignation or by removal from the Board of Directors or by retiring as a director.

1.3 In the event that the position of Audit Committee is vacant due to reasons other than the issuance of the term, the Board of Directors shall appoint a fully qualified person as the Audit Committee to fill the number of audit committees specified in this Charter.

#### 2. Scope and duties

2.1 Review the Charter of the Audit Committee at least once a year and consider amendments to issues deemed necessary and appropriate.

2.2 Review financial and accounting reports Internal control system, internal audit system and risk management system linked to risks associated with corruption and corruption to ensure that the Company's operations are concise, appropriate and efficient, in accordance with generally and adequately certified accounting standards.

2.3 To consider the selection, appointment and remuneration of the Company's auditors.

2.4 Review the Company's compliance with the Securities and Exchange Act. Set requirements or laws relating to the Company's business



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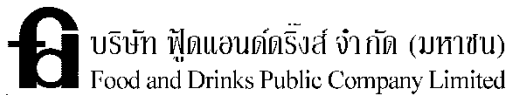
- 2.5 Consider connected transactions or transactions that may have conflicts of interest to be accurate and complete in accordance with set laws and regulations, as well as disclose the information on such transactions correctly. This is to ensure that the transaction is reasonable and in the best interests of the Company.
- 2.6 Supervise the performance of internal audit bodies by considering the approval of the Charter, independence, as well as the scope and audit plan of the internal audit unit.
- 2.7 Coordinate understanding between the Audit Committee, management, internal audit office and auditor in the same way, as well as consider the scope of audit and audit plan of internal auditors and auditors of the Company to be related and available to each other.
- 2.8 The Audit Committee can seek advice from an independent external advisor if necessary by the Company issuing expenses.
- 2.9 Report on the performance of the Audit Committee to the Board of Directors
- 2.10 Prepare the audit committee's report, disclosed in the Company's annual report, which must be signed by the Chairman of the Audit Committee
- 2.11 Perform other tasks as assigned by the Board of Directors and monitor the performance evaluations deemed important by the Audit Committee.
- 2.12 Review the company's internal procedures regarding whistleblowing and complaints.

### 3. Responsibility

The Audit Committee is responsible for the Board of Directors directly in accordance with the duties and responsibilities assigned to it, and the Board of Directors remains responsible for the company's operations. To third parties.

### 4. Authority of the Audit Committee

- 4.1 In relation to management, you can also use The Audit Committee has the power to invite management, managers, heads of agencies or employees of the relevant companies to attend the meeting. Clarification, comment or delivery of relevant documents as necessary.
- 4.2 In other respects, the Audit Committee has the authority to investigate those involved and related matters within the scope of the powers and duties of the Audit Committee and has the authority to hire or bring specialized experts to consult and provide opinions as deemed appropriate by the Audit Committee and the Board of Directors as proposed by the Audit Committee.



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## 5. Meetings and Meetings

- 5.1 The Audit Committee regularly has regular meetings at least 4 times a year, which may invite management, management, Employees of the relevant company or the auditor attended the meeting to give their opinions. Submit documents or information as deemed relevant or necessary.
- 5.2 At every audit committee meeting Chairman of the Audit Committee presided over the meeting. If the Chairman of the Audit Committee does not attend the meeting, the Chairman of the Audit Committee shall assign one of the audit committees to preside over the meeting, or the Audit Committee member who attends the meeting shall elect one of the audit committees to preside over the meeting. The quorum must consist of at least two-thirds of the total number of audit committee members available in the position. At that time, it will be considered a quorum.
- 5.3 What are the stakeholder audit committees in regards to which matters are considered? Do not participate in voting on the subject. The Audit Committee voted with one vote per person and used the majority vote as a criterion. The Secretary of the Audit Committee does not have the right to vote. In the event of an equal vote The Chairman of the Audit Committee has one more vote to be decisive.

This Charter was approved by the Board of Directors at the Meeting No. 2/2021 on February 25, 2021 and will be effective from February 25, 2021 onwards.

(Mr.Phirasilp Subhapholsiri)  
Chairman, Independent Director



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## Charter of the Nomination and Remuneration Committee

### 1. Objective

The Nomination and Remuneration Committee is responsible for determining criteria and procedures for recruiting qualified persons to be appointed as directors and top management of the company as well as the selection of the company's directors. To perform duties as a sub-committee, including considering the form and criteria of remuneration and conducting the selection of persons in accordance with the established recruitment process to propose to the Board of Directors or to the shareholders' meeting for consideration and approval as required by law.

### 2. Composition, Designation and Features

#### 2.1 Composition and designation

- 2.1.1 Composed of the company's directors not less than 3 people, most of them must be independent directors.
- 2.1.2 Board of Directors consider and appoint the company's directors To act as a member of the Nomination and Remuneration Committee The Nomination and Remuneration Committee who retires by rotation may be re-appointed by the Board of Directors.
- 2.1.3 The Nomination and Remuneration Committee will select a committee member who is an independent director to be the chairman of the Nomination and Remuneration Committee.
- 2.1.4 The company consider proposing to employees of the company act secretary. The Nomination and Remuneration Committee shall appoint and give approval.

#### 2.2 Features

- 2.2.1 Not being an executive chairman
- 2.2.2 Be able to devote sufficient time to perform their duties. To accomplish the performance of the Nomination and Remuneration Committee in accordance with the objectives.

### 3. Tenure And the vacation of office

#### 3.1 Tenure

- 3.1.1 The Nomination and Remuneration Committee has a working term according to the term of being a director of the company.
- 3.1.2 When there is a cause for the Nomination and Remuneration Committee to vacate the position and resulting in incomplete numbers of the Nomination and Remuneration Committee. The Board of Directors will appoint a new member of the Nomination and Remuneration Committee to complete the number at a minimum.3 months from the date when the number of directors





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is incomplete In order for the Nomination and Remuneration Committee to reach the number specified by the Board of Directors. A person who can serve as a member of the Nomination and Remuneration Committee may hold office for only the remaining term of the Nomination and Remuneration Committee, whom he has replaced.

### 3.2 Vacation of the position

3.2.1 Members of the Nomination and Remuneration Committee shall vacate their positions immediately upon

- dead
- resign
- Retirement from being a director of the company
- Board of Directors Has a resolution to vacate office
- Lack of qualifications as a member of the Nomination and Remuneration Committee

3.2.2 Resignation of the Nomination and Remuneration Committee To submit a resignation letter to the Chairman of the Board of Directors

## 4. Duties and responsibilities

### 4.1 Recruitment practices

- 4.1.1 Consider the composition and qualifications of the Board of Directors as a whole and individually that are suitable for the size, type and complexity of the Company's business. Both in education, knowledge, expertise, skills, experience and competence in specific areas related to the Company's business. Independence according to the criteria set by the company.
- 4.1.2 Consider the qualifications of the top management that are suitable for the business management of the company. To achieve the vision set by covering both education, experience, knowledge and expertise and adopt important and relevant business environment factors such as economic and industrial conditions and trends as well as business competition conditions for consideration.
- 4.1.3 Establish procedures and criteria for recruiting individuals. To be consistent with the structure and qualifications as specified in 4.1.1 and 4.1.2. By adhering to the principles of good corporate governance.
- 4.1.4 Supervise the company Provide an orientation and provide documents that are beneficial to the performance of duties to the newly appointed directors.
- 4.1.5 Selection of the Company's directors Who have appropriate qualifications as a member of the sub-committees to propose to the meeting of the board of directors Consider an appointment when there is a vacancy.



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#### 4.2 Compensation practice

- 4.2.1 Review and propose the pattern as well as the remuneration criteria to suit the duties and responsibilities of the directors. By linking the compensation with the overall performance of the company. To be able to motivate and retain capable, quality and potential directors. It is considered for approval before proposing to the Annual General Meeting of Shareholders for approval.
- 4.2.2 Annual performance evaluation and consider adjusting the compensation rate that is suitable for the chief executive of the company to propose to the Board of Directors for approval.
- 4.2.3 Annual performance evaluation and to consider the policy to adjust the appropriate remuneration for the Company's employees as a whole.

#### 4.3 Regularly review the Charter of the Nomination and Remuneration Committee.

### 5. Meeting

#### 5.1 Number of meetings

- 5.1.1 The Nomination and Remuneration Committee must meet at least once a year and may hold additional meetings as the Chairman of the Board deems appropriate.
- 5.1.2 The Chairman of the Nomination and Remuneration Committee may call a meeting of the Board of Directors. Can be a special case If requested by the Nomination and Remuneration Committee or the Chairman of the Board of Directors, when there is an agenda that needs to be discussed together.

#### 5.2 Attendance

- 5.2.1 Meetings of the Nomination and Remuneration Committee must be presence of not less than one-half of the total number of members of the Nomination and Remuneration Committee is required to form a quorum. And the Chairman of the Nomination and Remuneration Committee shall be the chairman of the meeting.
- 5.2.2 In the event that the Chairman of the Nomination and Remuneration Committee is not present at the meeting or unable to perform duties the members of the Nomination and Remuneration Committee who attended the meeting were to elect. One of the directors was the chairman of the meeting.
- 5.2.3 The Secretary of the Nomination and Remuneration Committee must attend every meeting. And in case of necessity, the secretary Unable to attend the meeting, the company may assign a person to attend the meeting instead.



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### 5.3 Voting

5.3.1 Resolution of the meeting shall be taken by a majority of the members of the Nomination and Remuneration Committee. Who attend the meeting and vote In this regard, one member of the Nomination and Remuneration Committee has a vote. If the votes are equal The chairman of the meeting shall have one more vote as a casting vote.

5.3.2 The Nomination and Remuneration Committee who has interests in the matter to be considered must abstain to vote on that matter.

### 5.4 Minutes of the meeting

The secretary of the Nomination and Remuneration Committee or the person entrusted shall record the minutes of the meeting.

## 6. Reporting of the Nomination and Remuneration Committee

6.1 The Nomination and Remuneration Committee shall report the results of the Nomination and Compensation, the meeting results or any other report that the Board of Directors should know in the next Board Meeting.

6.2 The Chairman of the Nomination and Remuneration Committee shall report to the shareholders in the annual report. And the annual information form To perform duties related to recruiting and remuneration.

## 7. Evaluation

The Nominating and Compensation Committee conducts performance assessments annually by self-assessment. And report the results of the assessment together with problems and obstacles that cause the performance to fail to achieve the objectives. Of the establishment of the Nomination and Remuneration Committee for the Board of Directors to know

## 8. Directors' remuneration

The Nomination and Remuneration Committee will receive remuneration suitable for the duties and responsibilities as approved by the shareholders' meeting.

This Charter was approved by the Board of Directors at the Meeting No. 2/2020 on February 25, 2020 and will be effective from February 27, 2020 onwards.

(Mr. Phirasitp Subhapholsiri)  
Chairman, Independent Director

## Attachment 2



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**Report of the Audit Committee**

The Audit Committee of Food and Drinks Public Company Limited has been appointed by the Board of Directors and has a 3-year term. The Audit Committee consists of 3 Independent Directors who have knowledge, expertise and experience in finance, accounting, investment, as well as knowledge of the company's business. They are Miss Chaovana Vivatpanachati served as Chairman of the Committee, Mr. Sumet Chey-O-Nanund and Mr. Sansern Nirat served as members of the committee. The Audit Committee has performed its duties and responsibilities in accordance with the Charter of the Audit Committee and the requirements of the Stock Exchange of Thailand. The Audit Committee reported to the Board of Directors

In 2021, the Audit Committee held 5 meetings with all audit committee members attending every meeting.

In accordance with the requirements and best practices for the Audit Committee of the Stock Exchange of Thailand, the Audit Committee reviewed the financial statement reports, reviewed the company's internal control is appropriate, and considered external auditor to present to the Board of Directors for consideration. The Audit Committee has also perform other duties as assigned by the Board of Directors.

Summary of the key performance of the Audit Committee in the year 2021 as follows:

1. Reviewed the Company's quarterly and 2021 financial statements to ensure that the financial reports were prepared correctly as they should be in accordance with generally accepted accounting standards with adequate disclosure of financial statements. Presented to the Board of Directors for approval, held 1 meeting with the auditor without management.
2. Arranged for an external internal auditor, D.I.A. Audit Co., Ltd., to continuously assess the adequacy of internal control. In 2021, the system reviewed was on the control of purchase and payment of fresh raw materials. The report indicated that overall the company has a sufficient internal control system. There are some recommendations for improvement which management will follow up.
3. Reviewed the Company's compliance to the rule and regulation of Stock Exchange of Thailand and other related laws.
4. Considered the charter of the Audit Committee annually to ensure that it is in compliance with good practices of the Stock Exchange of Thailand and appropriate for company business.
5. Considered select propose an external auditor of the Company. The Audit Committee has considered to proposal Mr. Pornchai Kittipanya-Ngam Certified Auditor No. 2778 or Mrs. Suwane Kittipanya-Ngam Certified Auditor No. 2899 or Mr. Thanakorn Fakfaipol Certified Auditor No. 4879 from Bunchikij Co., Ltd. as the auditor of the Company for the year 2022 and the audit fee to be presented to the Board of Directors' meeting.
6. Reviewed the related transactions or transactions that may have conflicts of interest in accordance with the laws and requirements of the Stock Exchange of Thailand to ensure that such transactions are reasonable and in the best interests of the Company.
7. Review the effectiveness and consider the appropriateness of risk management provided by the Company which consists of identify, evaluate, action and monitor. This is to prevent potential impacts on business operations, taking into account the company's goals and objectives and in line with the changing environment.
8. Co-ordinate the same understanding among Audit Committee, Management, Internal Auditor and Auditor.
9. Prepare the Audit Committee's Report.
10. Perform other duties as assigned by the Board of Directors.

The Audit Committee has determined that in the past year the Audit Committee and Management have demonstrates in good management system and accordance to the principles of corporate good governance.

(Ms. Chovana Vivatpanachati)

Chairman, Audit Committee

25 February 2022



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### Report of the Nomination and Remuneration Committee

Dear Shareholders

Food and Drinks Public Company Limited recognize the importance of recruiting people to positions that play a role in the development of the company. Ever since the Directors, Senior executives, including those who have made important policy recommendations of the Company and their remuneration considerations. The Board of Directors has appointed a Nomination and Remuneration Committee consisting of: Independent Committee to nominate, select and present competent persons as well as having the right qualifications to perform duties as Directors and Senior Executives as well as offering return policies. Remuneration guidelines Other benefits for the Board of Directors, Subcommittees as well as Senior Executive to suit their duties and responsibilities to the Board of Directors. To consider in accordance with the Company's performance and competitiveness in the market. This is to motivate and retain qualified directors and executive for sustainable development of the Company.

In 2021, the Nomination and Remuneration Committee held 2 meetings to consider the matters and present the meeting with opinions. Presented to the Board of Directors for ongoing consideration, with important matters summarized as follows:

1. Nomination, selection and nomination of persons to be directors instead of directors who resigned in accordance with the term.

The Nomination and Remuneration Committee has presented guidelines, nomination, selection and proposed persons to the board of directors who resigned in accordance with the term. To present to the Board of Directors' meeting for approval before presenting it to the Shareholders' Meeting for approval accordingly.

2. Remuneration of committees and subcommittees

The Nomination and Remuneration Committee has considered the remuneration of the Board of Directors and subcommittees with thorough scrutiny of their suitability. Comparable to the industry in the same way and can be motivated to retain the executive directors with the desired qualifications. The directors who have been assigned duties and responsibilities have increased responsibility in various subcommittees, additional compensation will be paid according to the increased amount of duties and responsibilities as appropriate.

Nomination and Remuneration Committee The results of the meeting are continuously informed by the Board of Directors. In 2021, the Nomination and Remuneration Committee fulfilled its duties and assignments completely with care and prudence, independently as well as giving honest opinions for the best interests of the Company's shareholders and all stakeholders. We are also committed to working with equality principles, fair and transparent to comply with the principles of good corporate governance as prescribed by the Stock Exchange of Thailand and to be accepted internationally.

(Mr. Sansern Nilrat)

Chairman of the Nomination and Remuneration Committee