

Food and Drinks Public Company Limited

56-1 One Report

20

22

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Part 1 Business Operations and Result

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Message from Chairman

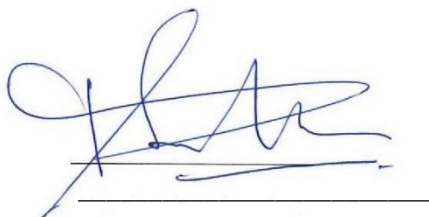
Dear Shareholders,

In 2022, the global situation began to return to normal after facing the impact of the COVID-19 pandemic for more than 2 years. In terms of economic conditions, we started to see some improvements. The company's sales increased both domestically and internationally in 2022, reaching Baht 733 million, representing a year-on-year increase by 18%. Net profit amounted to Baht 26.23 million or Baht 1.49 per share.

For 2023, the global economic conditions remain uncertain due to the on-going conflict between Russia and Ukraine, potential economic recession and liquidity shortages of financial institutions. The Company has been monitoring the situation closely, reviewing our marketing strategy and production focuses as well as product development. This includes finding measures to reduce production costs and other expenses to maintain competitiveness.

The Company will continue to strive for continuous development towards sustainable business operations with the cooperation of employees, executives and the Board of Directors. This includes support and trust from business partners, government agencies, financial institutions, suppliers of raw materials, farmers as well as all 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 Office



Certificate of Registration
Food and Drinks Public Co., Ltd.
 695/1 Bangbun-Bankai Rd., Klongkew Bangbun, Chonburi, 20220, Thailand
 operates under a
Food Safety Program
 which complies with the requirements of
Good Manufacturing Practices (GMP)

The registration covers the production of canned and bottled fruit and vegetable juice, frozen and preserved fruits and vegetables, condiments and ready to eat meals.

Original Certification: 15 January 2020
 Certification Decision/Reissue Date: 15 January 2020

Registration No: TH533-HC-GMP
 Expiry Date: 15 January 2023

Craig J Bates
 President
 TQCS International (Group) Pty Ltd
 For the TQCSI Certification Approval Panel

Sean Bates
 Accreditation Manager
 TQCS International Pty Ltd

This certificate verifies the original certificate issued and is valid as long as it is displayed as an electronic copy at www.tqcsi.com and surveillance audits are satisfactorily completed. TQCS International Pty Ltd (ABN 59 065 852 824) of Quality House, 117A Tapleys Hill Road, Hendon, SA, 5014, Australia issues certification subject to the TQCSI Rules of Certification.





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HACCP Certified

Certificate of Registration
Food and Drinks Public Co., Ltd.
 695/1 Bangbun-Bankai Rd., Klongkew Bangbun, Chonburi, 20220, Thailand
 operates a
Food Safety Program, incorporating the principles of HACCP
 which complies with the requirements of
TQCSI HACCP Code:2020
TQCSI HACCP Code:2020 is registered with JAS-ANZ for certification against the Codex Alimentarius method of HACCP.

The registration covers the production of canned and bottled fruit and vegetable juice, frozen and preserved fruits and vegetables, condiments and ready to eat meals.

Category/Sub-category: C - Food Manufacturing/C2 - Processing of perishable plant products, C - Food Manufacturing/C3 - Processing of perishable animal and plant products (mixed products), C - Food Manufacturing/C4 - Processing of ambient stable products

Original Certification: 31 January 2017
 Certification/Reissue Date: 5 February 2021

Registration No: TH533-HC-GMP
 Expiry Date: 15 January 2023

Craig J Bates
 President
 TQCS International (Group) Pty Ltd
 For the TQCSI Certification Approval Panel


Sean Bates
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Certificate of Conformity

Audit Date: 17-JAN-2022
 Next Audit Due: 25-Apr-2022 to 25-Jan-2023
 Certificate Expiry Date: 08-Mar-2023
 Certificate Number: C0085073
 BRC Site Code: 1928315
 BRC Auditor No: 21457
 Date of Issue: 21-FEB-2022

Food and Drinks Public Co., Limited
 695/1,3 Bangbun-Bankai Rd, Moo 1 Klongkew Bangbun Chonburi 20220 Thailand
 Has been audited by NSF Certification LLC and found to meet the requirements of Standard:
Global Standard for Food Safety Issue 8: August 2018

Audit Program: Unannounced

Scope of Certification:
 Production of 1. Fruits and vegetables in cans, glass jars, and flexible packaging.
 2. Minced spice paste and sauces in glass jar, cans, tins and flexible packaging.
 3. Beverages in cans and PET bottles. 4. Chilled and Frozen Ready to eat products, e.g. Chilled cooked jasmine rice, Stir-fried pork with basil leaves, sandwiches, ready to eat desserts and frozen ready to eat plant based

Including voluntary modules of:



Exclusions from Scope: None

Fields of Audit:
 10: Ready meals and sandwiches, ready to eat desserts
 11: Low/high acid in cans/glass
 12: Beverages
 6: Prepared fruit, vegetable and nuts

Grade Achieved: B +

Signed on behalf of NSF Certification, LLC
 Sarah Kroll
 Senior Managing Director,
 Global Supply Chain

NSF Certification, LLC
 789 N. Dixboro Road, Ann Arbor, MI 48105 USA
 This certificate remains the property of NSF Certification, LLC
 If you would like to feed back comments on the BRC Global Standard or the audit process directly to the BRC Global Standards, please contact Feedback@globalstandards.com
 To verify certificate validity, please visit www.brcdairy.com.

สำนักงานคณะกรรมการกลางอิสลามแห่งประเทศไทย
 เลขที่ 45 หมู่ 3 ถนนพหลโยธิน แขวงสามยุคใหม่ เขตปทุมวัน กรุงเทพฯ 10330
 โทรศัพท์ (02) 649-4134, (02) 649-4988 โทรสาร: (02) 649-4255 โทรสาร: (02) 649-4255
 www.halal.or.th, www.halal.or.th E-mail: halal@halal.or.th

THE CENTRAL ISLAMIC COUNCIL OF THAILAND
 45/3 Moo 3 Phlo Phayathai Road, Samsuk, Pathumwan, Bangkok 10330
 Tel: (662) 649-4134, (662) 649-4988 Fax: (662) 649-4255 Fax: (662) 649-4255
 www.halal.or.th, www.halal.or.th E-mail: halal@icm.or.th

HALAL CERTIFICATE
 THE CENTRAL ISLAMIC COUNCIL OF THAILAND
 CERTIFIES THAT
 Entrepreneur: FOOD AND DRINKS PUBLIC COMPANY LIMITED.

Office Address: 15th Floor, Regeht House Bldg., 183 Rajdamri Road, Lumpini, Pattumwan, Bangkok 10330, Thailand.

Product Type: Original Equipment Manufacturer (OEM), Aloe Vera Juice with Honey+Lime Juice, Plum Juice with Plum "Zummer" Brand, Aloe vera diced in light syrup "F&D" Brand, Mango Chutney Sauce (P-Type)

Factory Address: 695/1 BANGBUN-BANKAI RD., KLONGKEW, BANGBUN, CHONBURI 20220 THAILAND.

Undertakes the process at stated product type/brand accordance with the Islamic Law, The Central Islamic Council of Thailand therefore allows to utilize "HALAL" Emblem



Effective from March 22, 2022 till March 21, 2024
 Registration No. CICOT.HL: 904/2003 Issued on the July 1, 2022

This Halal certificate is issued under Section 3 Article 18 (9) of the Royal Act concerning the Administration of Islamic Organization B.E.2540 (A.D. 1997)

In accordance with the detail-list enclosed here with.



Dr. Aziz Thakkunpattana
 Sheikhul Islam of Thailand
 President of the Central Islamic Council of Thailand

No. 2565031302

Financial Highlight

(Unit : Baht)

Summary Financial Information	<u>2020</u>	<u>2021</u>	<u>2022</u>
Current assets	178,950,059	188,478,538	173,606,763
Investment in associate	96,467,321	91,058,567	84,992,897
Investment properties	96,958,242	96,076,375	95,211,441
Properties, plant and equipment	1,075,433,517	1,171,908,593	1,165,901,507
Bearer plants	31,180,043	32,038,198	28,635,391
Total assets	1,486,492,574	1,585,295,925	1,572,410,136
Current liabilities	146,648,166	129,361,522	111,828,243
Long-term loan from financial institution, net of current portion	43,529,412	29,077,647	4,705,882
Employee benefit obligations	40,104,386	38,332,229	35,466,696
Deferred tax liabilities	178,179,404	209,798,505	214,896,799
Total liabilities	411,267,945	408,600,430	369,645,140
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	913,449,700	913,449,700
Legal reserve	15,431,000	15,431,000	15,431,000
Unappropriated (deficit)	(64,438,631)	(54,096,365)	(28,026,864)
Total shareholders' equity	1,075,224,629	1,176,695,495	1,202,764,996
Revenues from sales	694,623,152	622,077,808	734,783,641
Other income	20,577,831	17,290,455	19,014,594
Share profit from investment in associate	8,086,568	4,821,653	7,733,191
Profit (loss) before income tax expense (income)	25,540,904	17,858,844	31,326,114
Income tax expense (income)	1,268,593	8,572,876	5,098,294
Profit (loss) for the year	24,272,311	9,285,968	26,227,820
Change in revaluation of land	-	113,910,750	-
Actuarial gain	(2,414,731)	1,320,373	-
Income tax of items that will not be reclassified to profit or loss	472,704	(23,046,225)	39,580
Total comprehensive income (expense) for the year	22,381,493	101,470,866	26,069,501
Earnings (loss) per share	1.38	0.53	1.49

Financial Ratio	Unit	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Liquidity Ratio</u>				
Current ratio	Times	1.2	1.5	1.6
Quick ratio	Times	0.5	0.4	1.4
Account Receivable Turnover	Times	12.0	13.0	16.9
Days Account Receivable Outstanding	Days	30.1	27.7	21.3
Inventory Turnover	Times	20.4	13.8	16.0
Days Inventory Outstanding	Days	17.6	26.0	22.5
Account Payable Turnover	Times	8.0	7.3	7.2
Days Account Payable Outstanding	Days	44.9	49.1	50.0
Cash Cycle	Days	2.8	4.6	(6.3)
<u>Profitability Ratio</u>				
Gross Margin	%	14.3%	13.8%	15.3%
Operating Profit	%	0.3%	(1.2%)	3.2%
Profit Margin on Sales	%	3.4%	1.4%	3.5%
Return on Equity	%	2.3%	0.8%	2.2%
<u>Efficiency Ratio</u>				
Return on Assets	%	2.06%	1.37%	2.08%
Assets Turnover	Times	0.5	0.4	0.5
<u>Financial Policy Ratio</u>				
Debt to Equity	Times	0.4	0.4	0.3
Interest Converge	Times	5.6	6.7	20.7
Dividend Payout	%	-	-	*
<u>Per Share</u>				
Book Value	Baht	61.01	66.77	68.24
Net Profit	Baht	1.38	0.53	1.49

* to be approved at the Annual ordinary general meeting of shareholders no. 1/2023 to be held on 28 April 2023.

Part 1

Business Operations and Result

Company group structure and operations

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 59.9%: 40.1% in 2022.

1.1 Vision, objectives, goals and strategies

Vision

To be a leading company in the production and distribution of food and beverage products in accordance with international standards.

Mission

- Create high-quality products in accordance with international standards for domestic and international markets.
- Efficient use of resources in accordance with sustainable economic guidelines (BCG).
- Conduct business with respect to human rights and generate appropriate returns throughout Value Chain.
- Corporate governance under good governance for sustainable development.

1.2 Major changes and developments

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

1993

Became public company and listed in the Stock Exchange of Thailand in 1994 with the registered capital of Baht 125 million.

2004

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

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.

2018

The Company registered capital was increased to Baht 176,243,080 with 17,624,308 shares at Baht 10 per share..

2019

The Company invested in the expansion of ready-to-eat (RTE) production line for frozen and chilled.

2021

Added ready-to-cook and plant based protein products to RTE production line.

1.3 Is the proceeds of fundraising intended?

The company has no fundraising.

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

1.5 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 Thailand Tel: +66 (0) 3820-1219-21 Fax : +66 (0) 3820-1020
Bangkok Office	15fl. Regent House Building 183 Rajdamri Rd. Lumpini, Patumwan, Bangkok 10330 Tel : +66 (0) 253-5232-3 Fax : +66 (0) 2070-0733
Homepage	www.foodanddrinks.co.th
Business Type	Manufacture and distribute of food and beverages products for export and local markets
Registered Shares /	17,624,308 ordinary shares
Shares issued and fully paid up	Baht 10 per share Registered capital at Baht 176,243,080



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.

2.1 Revenue structure by business group

	<u>2020</u>		<u>2021</u>		<u>2022</u>	
	Million Baht	%	Million Baht	%	Million Baht	%
Export sales	457.6	65.9	385.1	62.0	438.9	59.9
Domestic sales	237.0	34.1	236.3	38.0	294.4	40.1
Total sales	694.6	100.0	621.4	100.0	733.2	100.0
Sharing profit (loss) from investment	8.1		4.8		7.7	

2.2 Product information

The company's products are food and beverages that meet the needs of both domestic and international customers, with a focus on the quality of the products. Most of our products are of Premium Grade made from natural raw material. Most of the agricultural raw materials are grown in the country, so there are obstacles in some years that are troubled by natural disasters. Therefore, our export customers are upper medium high-end, with long term relationship and confidence in high product quality.

The company's products include curry paste, spices, sauces, vegetable and fruit juices, various beverages, as well as the incorporation of different ingredients into new products 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 domestic and export markets are as follows

Fruits/vegetables/spices containers

Fruits and vegetables such as mango, aloe vera; Spices such as lemongrass, kaffir lime leaves and curries packaged in glass bottles, plastic pouches or cans of different sizes.

Vegetable juices, fruits and beverages

Vegetable and fruit juices, ready-to-drink tea, canned or plastic bottles.

Ready to eat

Ready-to-eat are in chilled and frozen, such as rice with basil fried chicken, stir fried chicken with curry paste, dessert, sandwiches, etc.

(2) Market situation and competition

The Company sets up the product grouping as domestic and export markets. Production for export, the Company will take into account the requirements of the partner countries, 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. As for domestic market, the Company also develops products manufactured under the Company's trademarks with the same standards and quality of production as for export.

(a) Marketing Strategies

Export

Export market covers all continents with more than 10 countries such as Australia (33.9%) as the biggest market, and follow by countries in AEC (22.8%), European Union (18.6%), Japan (16.7%), the United States of America (4.9%), Taiwan (2.4%), and South Africa (0.7%).

The international marketing policy will focus on developing products with existing customers and finding new markets by attending exhibitions both domestically and internationally, as well as online marketing.

For exports, customers are divided into 3 categories: broker or importer agent, distributor, and brand owner. Brokers are intermediaries to help brand owners/distributors to find a manufacturer who 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.

Sales for year 2020 – 2022 by countries

(Unit : Million Baht)

Country	2020	2021	2022
AEC countries	74.2	88.0	100.1
Europe	70.4	54.7	81.8
Taiwan	13.5	7.8	10.3
Japan	76.7	68.4	73.2
Australia	193.5	139.7	148.9
South Africa	6.7	4.0	2.9
United States of America	22.6	22.5	21.6
Domestic	237.0	236.3	294.4
Total	694.6	621.4	733.2

Domestic

2005

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.

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.

2014

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

2019

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



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 export 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 such 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 unstable quality of the produce, 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 ready-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 2013 exporting to AEC under Zummer 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's 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. 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:

Material Purchasing for 2020 - 2022

	<u>2020</u>		<u>2021</u>		<u>2022</u>	
	Million Baht	%	Million Baht	%	Million Baht	%
Raw material – Local	349.7	96.3	336.5	96.4	279.6	96.9
Raw material – Import	13.6	3.7	12.7	3.6	9.0	3.1
Total	363.3	100.0	349.2	100.0	288.6	100.0

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	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

(5) 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.

3. Shareholding structure

3.1 Overview of the business operations of the associated company

In 2004, we entered a joint venture with Hon Chuan (Thailand) Co., Ltd. to set up Hon Chuan FD Packaging Co., Ltd. with a registered capital of Baht 194,865,000. While the Company hold 35% shares, principal activity is to manufacture plastic bottles and plastic labels.

Hon Chuan FD Packaging Co., Ltd. is responsible for production and distribution, managed by Hon Chuan (Thailand) Co., Ltd., 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.

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

None

3.3 Relationship with the Business Group of Major Shareholders

None

3.4 Shareholders

(1) Major shareholders

(a) List of top 10 major Shareholders as of 31 December 2022

	Name of Shareholder	Shares	%	Director	Remarks
1	Mr. Kasem Deemaitree	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. Chun-Nam Wong	*
4	Mr. Huai Hsin Lee	1,743,375	9.89	Director	
5	Kawasho Foods Corporation	950,000	5.39	Representative director Mr. Aditep Nontratip	*
6	Mr. Worawich Deemaitree	915,720	5.20		
7	Thai NVDR Co., Ltd.	868,860	4.93		
8	Mrs. Chintana Asdornnithee	806,160	4.57	Director	
9	Iamsakulrat Co., Ltd.	581,000	3.30		
10	Ms. Rungrak Deemaitree	510,720	2.90		

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

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.

4.1 Registered Capital/Paid-up Capital/Number of Shares

The Company's shareholder structure as of 31 December 2022 is as follows:

Description	No. of shares	Amount (Baht)	%
Registered capital	17,624,308	176,243,080	
Paid up capital as at 31 December 2022	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

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

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

5. Issuance of other securities

5.1 In case of convertible securities

None

5.2 In case of debt securities

None

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.

Year	2020	2021	2022
Earnings per share (Baht)	1.38	0.53	1.49
Dividend per share	-	-	-
Dividend / Net profit (%)	0.0	0.0	0.0*

* It will be approved at the Annual General Meeting of Shareholders No.1/2023 on April 27, 2023.

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:

1. Risk Management Policy

The company operates its business under acceptable risks in order to achieve the company's objectives and meet the expectations of stakeholders by requiring risk management as part of the preparation of the annual business plan, daily management 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. Risk factors for the company

2.1 Risks to the Company's business or group of companies

Strategy Risks

(1) Vision

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

Vision: To be a leading manufacturer and distributor of food and beverage products with international standards.

(2) Mission

The company places importance on sustainable business operations which eidespread attention from listed companies and investors around the world. The company has incorporated ESG (Environmental, Social, Governance) risks concerning determination of its mission as follows:

- Create high-quality products in accordance with international standards to domestic and export markets.
- Efficient use of resources in accordance with sustainable economic guidelines (BCG).
- Conduct business with respect to human rights and generate appropriate returns throughout. Value Chain.
- Corporate governance under good governance for sustainable development.

Operational Risk

(1) Supply Chain

(a) Market

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 2022, the company has a proportional exports per domestic sale were 59.9% to 41.1%.

(b) 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 and considering recruiting new vendors.
- Sales planning, including sales prices, in accordance with the output of raw materials, especially 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.

(c) Production Risk

A variety of products according to customer specifications may make production not as efficient. Therefore, the company has reduced its risk by improving and developing as follows:

- **Production efficiency** by providing training for employees to increase their skills and confidence in choosing tools. It also reduces losses during production, reduce overtime to control production effectively and control output according to the production plan.
- **Machine efficiency** by planning monthly maintenance operations to prevent machine damage also checking and analyzing the machine consistency. In addition, the company regularly organizes training staffs for machine control.

- **Quality and standards** by the Quality Inspection (QC) and Quality Assurance (QA) responsible for checking the quality of the output. The inspection is carried out from the receipt of raw materials, production process and finished goods. In addition, random inspection before shipment.

(2) 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.

(3) Profitability

- (a) The price of raw materials changes according to the output to the market

Economic is one of problem in Thailand, scarce and expensive product which effect to cost of production increasing from raw materials, labour and other manufacturing cost. Especially fuel cost of transportation which directly increase in raw materials and service cost. Therefore, the company negotiates with customers to adjust the sales price due to higher costs. The Company maintains the quality and optimizes the standard of products by selecting quality objects for customers.

- (b) Inventories management

Due to higher production costs, the company has optimized inventory management by: Both materials and finished goods are planned at a level that is in good condition for production and use.

(4) 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.

(5) Environmental

(a) Water resources are inadequate for use

The company conducts ongoing water sustainability assessments covering both surface water sources, water sources from the private sector and major water users from the same water source, including water allocation to various industrial sectors and the quality of the surface water to identify the potential impact and risks to the business. The assessment covers following:

1. Assessment of water resources, including assessment of the availability of water resources.
2. Natural disasters related to water, such as droughts, floods, the size of the area and capacity of the pond that can hold water, etc.
3. Quality of surface water resources, both chemical and physical. This assessment covers the next 3 years to ensure adequate water supply and appropriate operational characteristics of the company.

Water self-sufficiency

- Analyze and evaluate surface water resources by collecting data from government agencies that manage water resources to identify the characteristics of surface water sources. The amount of water stored in the source, as well as collecting rainfall data from the station.
- Survey and evaluate the company's water use in production and related areas, including catchment facilities such as raw water reserve ponds. Rainwater reserve ponds, wastewater treatment systems, etc.
- Collect data on surface water quality analysis by conducting monthly inspections to prevent and take into account the treatment process due to the change in water conditions at all times and to prevent contamination.

Water Quality

- Survey the area inside and outside the factory area, where the survey results will be recorded in the report using the following inspection methods:
 - Check for physical characteristics such as turbidity, Smell, Color.
 - Check for factors such as checking for potential contamination related to pollution sources.

Rules and regulations relating to the use of water resources

- Review of rules and regulations on surface water use to regional and national water policies.
- Review relevant legal and regulatory public databases to address environmental concerns.

The Company has used the data of the Water Situation Analysis Center to study the watershed, flow direction, drainage, as well as trends in the use of the entire industrial sector, agriculture and communities.

Many regions, including around the world, are experiencing water shortages, droughts and industrial processes contribute to this problem. Demand for water for production is expected to increase, including drought. Water is important role directly and indirectly as solvents, refrigerant liquids, washing and cleaning fluids, and many other applications.

The company was aware of the problem and therefore conducted a risk assessment, study of the process of reusing used water, various chemical properties and complies with the water standards prescribed by law, also attend water management meetings with the public and private sectors every 3 months.

In 2022, the company Reuse RO Reject water or RO effluent properly. It is used for washing containers, washing floors and bathroom, store in a water tank for necessary use which process can reduce water consumption. At present, the company has been selected to participate in the project of the Institute of Water and Environment for Sustainability. Federation of Thai Industries, participated in the clean production technology transfer project for biotechnology industry, water management to reduce water consumption and water pollution management of enterprises, expected to be completed in 2023.

(b) Water treatment system

The Company sends wastewater samples to analyze the quality of effluent in accordance with the requirements of the law on discharge of wastewater outside the factory. The samples are collected twice a month and reported to the Department of Industrial Works and a summary report of the operation of the wastewater treatment system to the Pollution Control Department every month.

(6) 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 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 conducts the election of welfare committees within the factory in accordance with the regulations of the law to be a part of the company's welfare improvements.
- The company has audits under SEDEX's SMETA standard (European standard).

For employee safety The Company takes occupational safety and health into consideration, which is a fundamental priority. Therefore, the company has created an establishment to be stable, safe, and have an appropriate environment in accordance with relevant regulations and laws to make employees work happily, good hygiene and safety at work. The company manages its risk by:

- Announce the 1st Review of Safety, Occupational Health and Working Environment Policy on 15 May 2015.
- Create a culture and safety awareness for all employees through various forms of public relations.
- Set up a safety committee (CPO) to work.
- There is a professional safety officer at the factory.
- Provide training for executive and chief security officers.
- Provide life insurance for employees (group insurance)
- Delivery of compensation fund in case of work accident
- Provide risk assessments in the workspace by segment.

Financial Risk

(1) Financial risk

The company receives loan support from both local and foreign financial institutions. The management company uses the credit line closely to be careful not to exceed the proportion of credit line usage more than necessary.

(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) Accuracy of accounting information risk

The company places great importance on the accuracy and completeness of accounting and financial information. The focus is on enabling the company's management to make timely decisions. In determining the direction of marketing. Financial planning and production plan.

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.

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 2022, the epidemic risk from the COVID-19 pandemic continues but is not as severe as in the past. As for the risk of war between Russia and Ukraine, the past has led to a global food crisis. As a result, global oil and energy prices are rising, and inflation and the cost of goods and services are rising rapidly. This has an impact on the economy not only locally but globally.

The company has been closely monitoring and analyzing the situation, whether there will be long-term consequences.

Risk of Natural Disasters

The factory is located in Ban Bung 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.

2.2 Risks to securities holders' investments

The Company also had a cumulative loss of Baht 28.0 million. As a result, dividends cannot be considered.

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.

Driving Business for Sustainability

1. Policy and Sustainability Management Goals

The company has managed and operated under good corporate governance and appropriate risk management. We are committed to becoming a leading integrated food and beverage company in ASEAN and remain committed to achieving sustainable development goals at every stage covering environmental impacts. economic society Equitable and fair labor practices Respect for human rights and preserving human rights The company's vision focuses on social responsibility policies. Trade Code of Conduct Policy Anti-Corruption and Bribery Policy It helps drive the company to many achievements, establishing good practices and communicating practices continuously. Managing impact on stakeholders in the business value chain.

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 various projects to be able to comply with the Company's sustainability intentions by adopting BCG (Bio Circular Green Economy) to improve work and proactively implement the use of resources efficiently along with reducing fossil fuel to solar energy, which is one of the operational strategies to build an ecological company, promoting a low carbon society that focuses on reducing greenhouse gases which release by the company for social responsibility, both the carbon footprint of the product and the carbon footprint of the enterprise, intends to reduce the carbon footprint emitted by the product cycle. This covers the acquisition of raw materials. Production processes, waste management generated, storage, and transportation. It is expressed in the form of carbon dioxide emissions which is the major greenhouse gases that cause global warming.

The Company is ongoing sustainability business support programs as follows

- Installation of solar panels that generate electricity with solar energy.
- Disposal of organic waste with BSF worms.
- Research and development of aloe vera shell extract.
- Planting trees on company land to increase green space.
- Carbon Footprint greenhouse gas emission reduction.

2. Management Chain Effects to Stakeholders in the Business Value Chain



2.1 Business Value Chain

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

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.

Stakeholder	Communication Activities	Expectations and key issues	Reaction
 <p>พนักงาน</p>	<ul style="list-style-type: none"> • Channel for complain • Half year performance evaluation • Employee benefit checking by customer's auditor. • Group Line with factory manager • Set up welfare committee and monthly meetings between employees and welfare committees. 	<ul style="list-style-type: none"> • Fair benefit for employee • Accessible benefit 	<ul style="list-style-type: none"> • Bring complaints to the monthly Management Team meeting to draw conclusions and make corrections.
 <p>ลูกค้า</p>	<ul style="list-style-type: none"> • Supplier evaluation form • Assess the functionality and quality of the product Quarterly. • Telephone 	<ul style="list-style-type: none"> • Stability of order and price 	<ul style="list-style-type: none"> • Pre order material to meet production requirements.
 <p>ลูกค้า</p>	<ul style="list-style-type: none"> • Telephone • Email • Set up meeting • Factory visits 	<ul style="list-style-type: none"> • Develop new product 	<ul style="list-style-type: none"> • Regularly develop product • Control production in accordance with regulatory standards
 <p>ชุมชน</p>	<ul style="list-style-type: none"> • Can be meet 	<ul style="list-style-type: none"> • No pollution disturbs 	<ul style="list-style-type: none"> • Establish a treatment system inspection plan every quarter

Stakeholder	Communication Activities	Expectations and key issues	Reaction
	<ul style="list-style-type: none"> Email Meeting with director 	<ul style="list-style-type: none"> Abilities to re-pay debt 	<ul style="list-style-type: none"> Plan annual sales and monthly follow up Manage financial weekly Exchange rate risk management
	<ul style="list-style-type: none"> Annual report 56-1 one report Annual general meeting of shareholders Email Telephone 	<ul style="list-style-type: none"> Good governance and company profit 	<ul style="list-style-type: none"> Annual earning target half year review and revised target

3. Sustainability management in environmental dimensions

3.1 Environmental Policies and Practices

To move towards sustainable development. The company takes into account social responsibility, community and environment. The factory has an environmental management policy and the cost-effective use of resources in accordance with legal requirements as follows:

- Water treatment system

The company has an area of 13,000 square meters of wastewater treatment, with the wastewater treatment system certified to be properly designed according to the characteristics of the type of wastewater generated. It has quality, is not toxic to the environment. The effluent quality is in accordance with the requirements of the law.

- 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.

- Air pollution management

The company regularly conducts quality measurements of atmospheric chimney dust values every 6 months and reports the amount of pollutants discharged from the factory to the Department of Industrial Works, as well as the maintenance and inspection of the chimney combustion system every 2 months.

- Energy management

The company places great importance on energy management throughout all stages of its operations and value chain. The main strategy is to increase the proportion of renewable/clean energy and invest in innovative machinery technologies.

3.2 Environmental Controls Details

Wastewater Treatment System Management

The company sends wastewater samples to analyze the quality of effluent in accordance with the requirements of the law on discharge of wastewater outside the factory. The samples are collected twice a month and reported to the Department of Industrial Works. To report the amount of pollutants discharged from the plant every 6 months and report the results of the wastewater treatment system to the Pollution Control Department, as well as record the details of the daily monitoring of the wastewater treatment system.

Waste Management (Industrial Waste)

The company manage each type of waste follows by 3R principle, namely Reduce, Reuse, Recycle and Zero Waste, as follows:

- **Reduce** to prevent waste from occurring as little as possible such as:
 - Use containers such as sugar sacks to put things, food waste, etc. instead of plastic bags.
 - Choosing quality products Low packaging or packaging and long service life.
- **Reuse** to use materials efficiently such as:
 - Using both sides of the paper
 - Reuse of packaging such as reuse of boxes, plastic buckets, sugar sacks and bags several times.
 - Repurposed items such as paper boxes, paper cores to make document storage, plastic buckets or old parate wood to be used as plant pots etc.
- **Recycle** recyclable waste includes glass, paper, plastic, metal/non-metal, beeps, glass bottles, plastic bottles, steel, aluminum, etc., as well as bread bags and other plastic bags. Recycle and these wastes can create added value instead of throwing them away. This method saves natural resources and energy in production and also reduces the amount of waste.

- **Zero Waste** organic waste such as food waste, fruit peels, etc., are taken to feed BSF worms and compost make fertilizer for use in rubber plantations, eucalyptus garden and vegetable plot.

Air Pollution Management

The company replaced the steam generator from the use of fuel oil and husks to fuel. It uses natural gas, the cleanest combustion hydrocarbon which emits about half of carbon dioxide (CO₂) and can also reduce the amount of smoke released into the atmosphere. The company continuously analyzes total VOCs (Total Suspended Particulate Matter) TSP (Total Suspended Particulate Matter) with the standard values as required by law, including maintenance and inspection of the chimney combustion system and the performance of the steam generator every 2 months.

Energy Management

The Company has energy management measures that are implemented in accordance with the requirements of the Department of Alternative Energy Development and Energy Conservation by obtaining legal energy management audits from experts authorized by the Department of Energy every year. This is to manage energy efficiency. The Company has been evaluating energy efficiency in accordance with the Department of Alternative Energy Development and Conservation criteria to identify ways to reduce energy consumption for a period of 10 years since 2012. The competence of the personnel concerned has passed the criteria for ordinary energy responsible persons as required by law includes the proper use of energy sources. Using technology and investing in low-carbon energy sources, the organization reduces greenhouse gas emissions and relies on fossil fuels as little as possible. It clearly separates the consumption as well as calculates the proportion of energy value per unit of output generated as follows:

- Water resource saving project by reusing RO Reject water by washing containers Used to clean the bathroom.
- Renewable solar power deployment project by installing solar light instead of electricity in 2022 and expanding rooftop solar power generation project in 2023.

In 2022-2023, the Company has developed a plan to certify the carbon footprint label of the product and the corporate carbon footprint of the Greenhouse Gas Management Organization (Public Organization). Set targets for carbon footprint analysis in accordance with Thailand's product carbon footprint assessment guidelines, to know the amount of emissions, the greenhouse at each stage throughout the life cycle is then used to improve the production process to save energy and reduce costs. In 2022, the organization installed solar cells to reduce electricity consumption from the transmission line system, with the expectation of reducing electricity consumption. 1,000,000 kWh or which can reduce corporate greenhouse gases Type 2: 500 TonCO₂e in 2023.

The organization has prepared greenhouse gas emission report in accordance with the requirements for calculating and reporting the carbon footprint of the organization (6th revised edition, 8th edition, July 2022) by the Greenhouse Gas Management Organization (Public Organization).

Type 1 corporate greenhouse gas emission of 3,636 TonCO₂e.

Type 2 corporate greenhouse gas emission of 4,910 TonCO₂e.

The Company is revamping its greenhouse gas emissions collection system and will provide a third-party audit plan as required by the Greenhouse Gas Management Organization (Public Organization) in 2023.

4.Sustainability Management in the Social Dimension

4.1 Social Policy and Guidelines

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.

4.2 Corporate Social Responsibilities (CSR)

The company recognizing the importance of social responsibility then participated in the "CSR-DIW Project" under the study and development of the factory management system of the Department of Factories, Ministry of Industry.

The Company has a policy to contribute to the development of a more prosperous society. Therefore, it cooperates with the government and the private sector in carrying out activities that are in the public interest in various projects.

Community activities implemented in 2022 are as follows:

1. Support the community sports competition project.
2. Donate food to the Scholars of Sustenance Foundation (SOS).
3. Support Elderly Relations Project in Klongkew Subdistrict.
4. Support National Children's Day Activities.
5. Blood donation.
6. Project to raise awareness of local environmental conservation participation for factory operators in the Klongkew Subdistrict.
7. 283 scholarships for schools in Banbung District, Chonburi Province.
8. 36 scholarships for children of employees

Management Discussion and Analysis : MD&A

Food and Drinks Public Company Limited operating result in 2022 compare to 2021 and Financial Statement as at 31 December 2022 compare to 2021 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 :

1. Operating Result

Company's Financial Statement in 2022 has net profit amount to Baht 26.2 million compared to last year financial statement which had net profit of Baht 9.3 million. Net profit ratio in 2022 is 3.5% (in 2021: Net profit ratio was 1.4%). The Company has profit per share at Baht 1.49 (in 2021: profit per share at Baht 0.53) and book value per share as at 31 December 2022 is equal to 68.24 Baht.

Significant change are as follows :

Statements of Comprehensive Income

Revenue

Revenue from sale in Baht 734.8 million increased by Baht 112.7 million or 18.1%. (2021 : Baht 622.1 million).

Export sales revenue is amounting of Baht 439.9 million which equals to 59.9% (2021 in the amount of Baht 385.1 million which was 61.9%) of total sales.

Domestic sales revenue is amounting of Baht 294.8 million which equals to 40.1% (2021 in the amount of Baht 237.0 million which was 38.1%) of total sales.

Other income in 2022 is amounting of Baht 19.0 million mainly from rental and service which is the normal transaction (2021 has other income amounting of Baht 17.3 million).

Cost of Sales

Cost of sales increase amounting of Baht 92.0 million due to raw materials and pacakageing price increasing. Cost of sales ratio at 84.7% (2021 : at 85.2%) which result in gross profit of Baht 112.7 million increasing Baht 22.5 million.

Selling and Administrative Expense

Selling expense increases amounting of Baht 2.5 million or 7.2% related with domestic sales increasing due to distribution expense increasing from rising fuel prices. In 2022 selling expense is in the amount of Baht 36.8 million (2021 Selling expense amounting of Baht 34.2 million).

Administrative expense increases amounting of Baht 10.1 million or 17.0% administrative expense amount of Baht 69.7 million (2021 Administrative expense amounting of Baht 59.6 million) which increasing from employee expense increasing.

Finance cost

Finance cost amounting of Baht 1.6 million decrease by 32.1% (2021 Finance cost amounting of Baht 2.3 million) due to The Company repayment loan from financial institution within year 2022 amounting of Baht 37.1 million.

Income tax expense

Corporate income tax amounting of Baht 3.5 million decrease by 40.5% due to within 2021 there is adjustment expired deferred tax assets. Corporate income tax amounting of Baht 5.1 million (2021 Corporate income tax amounting of Baht 8.6 million).

Statements of financial position

Statement of Financial Position as at 31 December 2022, The Company has total asset of Baht 1,572.4 million decreased from last year by Baht 12.9 million, total liabilities in Baht 369.6 million decreased from last year by Baht 39.0 million and shareholders' equity of Baht 1,202.8 million increased from last year by Baht 26.1 million or 2.2%. The important changes in asset, liabilities and shareholders' equity are as follows:

Assets

Cash and cash equivalents decreased by Baht 1.6 million, Trade receivable increased by Baht 4.2 million, account receivable outstanding at 21.3 days. Inventory increased 18.1 million, Inventory outstanding at 22.5 days.

The Company recorded profit sharing in joint-venture by equity method of Baht 7.7 million and received dividend from joint-venture in Baht 13.6 million. Investment in associate as at 31 December 2022 amounting of Baht 84.9 million.

Other non-current assets increased by Baht 17.3 million which from deposit for solar roof top project.

Liabilities

Bank overdraft and short-term loan from financial institutions decrease by 7.7 million, long-term loan from financial institution decrease 29.4 million and lease liabilities increase 1.1 million.

Trade and other current payable decrease 4.2 million. Account payable outstanding at 50.0 days.

Shareholder's equity

Shareholder's equity increases from operation profit for year 2022 amounting of Baht 26.1 million.

Cash flow statement

Cash Flow Statement for the year ended 31 December 2022, The Company has cash and cash equivalent transaction net decreased from 31 December 2021 in Baht 1.6 million by separate cash flow to each activity as follows:

Cash flow from operating activity, net received Baht 30.0 million has significant transactions as follow:

Operating cash flow before changing in operating asset and liability	Baht	45.1	million
Trade and other receivable increase by	Baht	(4.7)	million
Inventories decrease by	Baht	19.8	million
Other non-current assets increase by	Baht	(17.3)	million
Trade and other current payables decrease by	Baht	(6.2)	million
Paid for financial cost	Baht	(1.5)	million

Cash flow from investing activity, net received Baht 7.3 million has significant transactions as follow:

Dividend income from associate	Baht	13.6	million
Acquisition of property, plant and equipment	Baht	(7.6)	million

Cash flow from financing activity, net used in Baht 38.9 million has significant transactions as follow:

Bank overdrafts and short-term loans from financial institutions decrease by	Baht	(7.7)	million
Repayment of loan-term loan	Baht	(29.4)	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 2022, company has liquidity ratio 1.6 time (2021 : 1.5 time) and Debt to Equity Ratio as at December 31, 2022 at 0.3 time (2020: 0.4 time) which is in the average of the industry.

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.

General and other important information

1. General Information

Share Registration	Thailand Securities Depository Company Limited 93 Ratchadapisek Road Kwang Dindaeng, Khet Dindaeng, Bangkok 10400 Tel.: +66 (0)-2009-9000 Fax: +66 (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.: +66 (0)-2382-0414 Fax.: +66 (0)-2381-5849
Legal Advisor	Legal Advisory Council Limited. 16fl. Olympia Thai Tower 444 Ratchdapisek Road Huay Kwang, Bangkok 10310 Tel.: +66 (0)-2512-5938-40
Investor Relation	Miss. Huai Hui Lee 15fl. Regent House Building 183 Rajdamri Rd. Lumpini, Patumwan, Bangkok 10330 Tel : +66 (0)-2253-5232-3 Fax : +66 (0)-2070-0733 Email : info@foodanddrinks.co.th

2. Other important information

2.1 Other information that may significantly affect investors' decisions

None

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

3. Legal disputes

None

4. Secondary Market

None

5. Regular contact financial institutions (in case of debt instruments only)

None

Part 2

Corporate Governance

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.

1. Overview of policies and practices of corporate governance

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.

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.

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 cooperates with the public and private sectors in carrying out activities that are in the public interest in various fields. The reporting activities are in the social performance section.

Also in the environmental section. The company is in the process of studying the BFS worm farming program to eliminate production waste instead of disposing of it. It is used as BSF worm feed and as a raw material for bio-compost. In the past, the company has used waste raw materials to compost organic fertilizer, and some waste raw materials have been sold to companies that can be used for good.

3. Significant Changes and Developments of Policy, Corporate Governance, and Corporate Governance System in the past year

There is no significant change within year 2022.

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

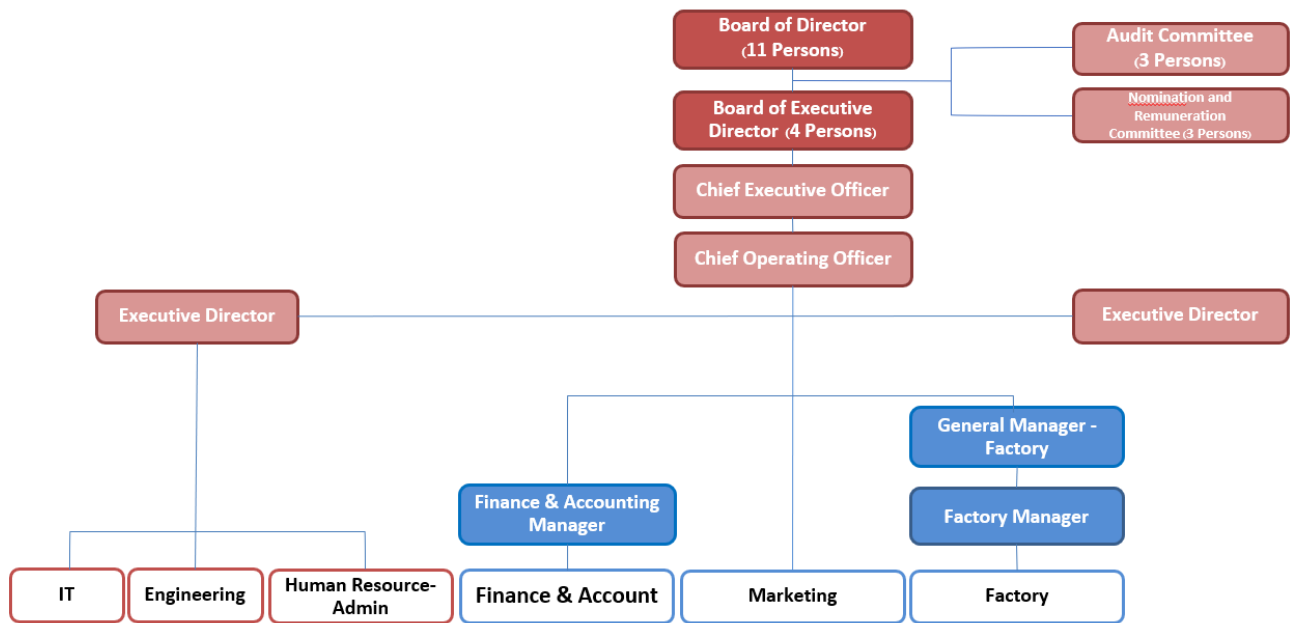
There is no significant change within year 2022.

3.2 Change in Policy, Corporate Governance Guidelines and Systems

There is no significant change within year 2022.

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

1. Management Structure



2. Board of Director Composition

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.

2.2 Information of the Board of Directors and persons controlling individual companies

Name - Surname Independent Director	Profile															
<p>Mr. Phirasilp Subhapholsiri (70 Years)</p> <p>Independent Director</p>	<p>Educational : B.B.A., Yokohama National University</p> <p>Course : DAP 40/2005</p> <p>Work Experience</p> <table border="0"> <tr> <td>2009 – Present</td> <td>Chairman</td> <td>Food and Drinks PCL.</td> </tr> <tr> <td>2013 – Present</td> <td>Independent Director</td> <td>Tipco Asphalt PCL.</td> </tr> <tr> <td>2010 – Present</td> <td>Chairman</td> <td>Kaizen Consulting Co., Ltd.</td> </tr> <tr> <td>2019 - Present</td> <td>Director</td> <td>HMC Polymers co. ltd.</td> </tr> <tr> <td>1989 – Present</td> <td>Chairman</td> <td>Supathana Co., Ltd.</td> </tr> </table> <p>Shareholding in The Company (%) - None -</p> <p>Family relationship between directors and executives - None -</p>	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	Supathana Co., Ltd.
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	Supathana Co., Ltd.														
<p>Ms. Chaovana Vivatpanachati (62 Years)</p> <p>Independent Director</p> <p>Chairman Audit Committee</p>	<p>Educational : Certified Public Accountant approved by SEC</p> <p>: Master of Management, University of Wollongong, Australia</p> <p>: Master of Accounting, Chulalongkorn University</p> <p>: Certificate in Accounting Audit Thammasart University</p> <p>Course : DAP, DCP 58/2005, ACP</p> <p>: RCL 4/2016</p> <p>: IT Governance & Cyber Resillience Program (ITG)</p> <p>: CRC 2/2019</p> <p>Work Experience</p> <table border="0"> <tr> <td>2002 - Present</td> <td>Independent Director/ Independent Director/</td> <td>Food and Drinks PCL. S.C.I. Electric Manufacturing PCL.</td> </tr> <tr> <td>2013 - Present</td> <td>Chairman Audit Committee</td> <td>Nutrition Profess Co., Ltd.</td> </tr> <tr> <td>2000 - Present</td> <td>Executive Director</td> <td>Moore DIA Sevi Ltd.</td> </tr> <tr> <td>2002 - Present</td> <td>Executive Director</td> <td>75 CPE Co., Ltd.</td> </tr> <tr> <td>1994 - Present</td> <td>Managing Director</td> <td>Office of Pitisevi Co., Ltd.</td> </tr> </table> <p>Shareholding in The Company (%) - None -</p> <p>Family relationship between directors and executives - None -</p>	2002 - Present	Independent Director/ Independent Director/	Food and Drinks PCL. S.C.I. Electric Manufacturing PCL.	2013 - Present	Chairman Audit Committee	Nutrition Profess Co., Ltd.	2000 - Present	Executive Director	Moore DIA Sevi Ltd.	2002 - Present	Executive Director	75 CPE Co., Ltd.	1994 - Present	Managing Director	Office of Pitisevi Co., Ltd.
2002 - Present	Independent Director/ Independent Director/	Food and Drinks PCL. S.C.I. Electric Manufacturing PCL.														
2013 - Present	Chairman Audit Committee	Nutrition Profess Co., Ltd.														
2000 - Present	Executive Director	Moore DIA Sevi Ltd.														
2002 - Present	Executive Director	75 CPE Co., Ltd.														
1994 - Present	Managing Director	Office of Pitisevi Co., Ltd.														
<p>Mr. Sumet Chey-O-Nanund (80 Years)</p> <p>Independent Director</p> <p>Audit Committee</p>	<p>Educational : Bachelor of Business Administration Major Accounting</p> <p>Thammasart University</p> <p>Course : DAP 2/2003</p> <p>Work Experience</p> <table border="0"> <tr> <td>2002 – Present</td> <td>Independent Director/ Audit Committee</td> <td>Food and Drinks PCL.</td> </tr> <tr> <td>1996 – Present</td> <td>Freelance</td> <td></td> </tr> </table> <p>Shareholding in The Company (%) - None -</p> <p>Family relationship between directors and executives - None -</p>	2002 – Present	Independent Director/ Audit Committee	Food and Drinks PCL.	1996 – Present	Freelance										
2002 – Present	Independent Director/ Audit Committee	Food and Drinks PCL.														
1996 – Present	Freelance															

Name - Surname Independent Director	Profile
Mr. Sansern Nilrat (69 Years) Independent Director Audit Committee	Educational : Master of Business Administration Kasetsart University Course : DCP 4/2000, 5/2007 : ACP 21/2008 Work Experience 2009 - Present Independent Director/ Audit Committee Food and Drinks PCL. 2014 - Present Qualified Advisors Federation of Thai Capital Market 2012 - 2014 Head of Proprietary Organizations Trading CIMB Securities Co., Ltd. Shareholding in The Company (%) - None - Family relationship between directors and executives - None -

Name-Surname Executive Directors	Profile
Mr. Kasem Deemaitree (88 Years) Managing Director Authorized Director	Educational : B.S. in Agricultural Chemistry, National Chung-Hsin University, Taiwan Work Experience 1986 - Present Chief Executive Officer Food and Drinks PCL. Shareholding in The Company (%) 18.74 Family relationship between directors and executives Father of Mr. Huai Hsin Lee, Ms. Huai Hui Lee
Mrs. Chintana Asdornnithee (84 Years) Executive Director Authorized Director	Educational : High School St. Joseph Convent Course : DAP Work Experience 1986 – Present Executive Director Food and Drinks PCL. 1990 – Present Deputy Managing Director Lampang Food Products Co., Ltd. 1995 – Present Deputy Managing Director Chiang Sean Food Products Co., Ltd. Shareholding in The Company (%) 4.6 Family relationship between directors and executives - None -
Ms. Huai Hui Lee (60 Years) Chief Operating Officer Authorized Director	Educational : Master of Business Administration, George Washington University Course : DCP 19/2002 Work Experience 2013 – Present Chief Operating Officer Marketing Director Food and Drinks PCL. Shareholding in The Company (%) 11.52 Family relationship between directors and executives Daughter of Mr. Kasem Deemaitree Older Sister of Mr. Huai Hsin Lee

Name-Surname Executive Directors	Profile
Mr. Huai Hsin Lee (56 Years) Executive Director Authorized Director	Educational : B.S. Mechanical Engineering, University of Maryland – College Park Work Experience 2013 – Present Executive Director / Food and Drinks PCL. Engineering & IT Shareholding in The Company (%) 9.89 Family relationship between directors and executives Son of Mr. Kasem Deemaitree Brother of Ms. Huai Hui Lee

Name-Surname Directors	Profile
Mr. Aditep Nontratip (58 Years) Director Authorized Director	Educational : Ph.D. Food Science, Tokyo University of Fisheries : Master of Business Administration Chulalongkorn University Course : DAP 80/2009 Work Experience 2009 – Present Director Food and Drinks PCL. 2003 – Present Director Kawasho Foods (Thailand) Co., Ltd. Shareholding in The Company (%) - None - Family relationship between directors and executives - None -
Mr. Udom Karoonkornsakul (88 Years) Director	Educational : High School Course : DAP Work Experience 1986 – Present Director Food and Drinks PCL. 2009 – Present Chairman Sahamitree Fish Meal Co., Ltd. Shareholding in The Company (%) 2.7 Family relationship between directors and executives - None -
Mr. Chun-Nam Wong (76 Years) Director	Educational : High School Diploma Hong Kong Work Experience 1994 – Present Director/ Food and Drinks PCL. Investor Shareholding in The Company (%) - None - Family relationship between directors and executives - None -

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.

3. Sub-committees Composition

3.1 List of individual sub-committees

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.

7. 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 nd 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.

9. Risk Management Committee

Name of Director	Position
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. Nakhon Mahakhun, Ph.D.	Director
6. Mr. Prasit Jaturatpunsang	Director
7. Mr. Suchat Thipmontien	Director

Remarks: Mr. Nakhon Mahakhun, Ph.D. and Mr. Prasit Jaturatpunsang were retire 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.

4. Management

4.1 List and Position of Executives

Management as at 31 December 2022 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. Nakhon	Mahakhun, Ph.D.	Director
6. Mr. Virat	Apiwattanaphong	Chief Financial Officer

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.

4.3 Director remuneration

Within year 2022, The Company paid Salary and bonus for 6 executives and managers are Baht 18.71 million.

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.
- 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 2022, there are employees 642 persons. In 2022, the Company paid 116.68 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	666	125.65

6. Other Information

1.1 Specify the following list of persons assigned to the responsibility

Chief Financial Officer	Mr. Virat Apiwattanaphong
Company Secretary	Ms. Nongnuch Thaiprasertsook
Internal Audit Outsource	DIA International Audit Co., Ltd.

1.2 List of Investor Relations Supervisors

Investor Relations	Ms. Huai Hui Lee
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1.3 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.

Highlights of Corporate Governance

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.

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. Selection of directors is from the shareholders' meeting.
3. 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.

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	5/6	1/1
Mr. Kasem Deemaitree	6/6	1/1
Mrs. Chintana Asdornnithee	4/6	1/1
Mr. Udom Karoonkornsakul	5/6	1/1
Ms. Chaovana Vivatpanachati	6/6	1/1
Mr. Sumet Chey-O-nanund	6/6	1/1
Mr. Sansern Nilrat	6/6	1/1
Mr. Aditep Nontratip	6/6	1/1
Mr. Chun-Nam Wong	4/6	1/1
Mr. Huai Hsin Lee	6/6	1/1
Miss Huai Hui Lee	6/6	1/1

Remuneration for each director

The fixed remuneration of 11 directors for the year 2022 is Baht 1,340,000.00.

	Name of Director	Position	Annual Remuneration	Meeting Allowance*
1	Mr. Phirasilp Subhapholsiri	Chairman	40,000 Baht	75,000 Baht
2	Mr. Kasem Deemaitree	Director, Chief Executive Officer	40,000 Baht	90,000 Baht
3	Mrs. Chintana Asdornnithee	Executive Director	40,000 Baht	60,000 Baht
4	Miss Huai Hui Lee	Director, Chief Operating Officer	40,000 Baht	90,000 Baht
5	Mr. Huai Hsin Lee	Executive Director	40,000 Baht	90,000 Baht
6	Mr. Udom Karoonkornsakul	Director	40,000 Baht	75,000 Baht
7	Mr. Aditep Nontratip	Director	40,000 Baht	90,000 Baht
8	Mr. Chun-Nam Wong	Director	40,000 Baht	60,000 Baht
9	Mr. Sansern Nilrat	Independent Director	40,000 Baht	90,000 Baht
10	Ms. Chaovana Vivatpanachati	Independent Director	40,000 Baht	90,000 Baht
11	Mr. Sumet Chey-Onanund	Independent Director	40,000 Baht	90,000 Baht

Remarks * Pay based on actual attendance.

The remuneration of the Audit Committee for a total of 3 persons is 455,000 Baht.

	Name of Audit Committee	Position	Annual Remuneration	Meeting Allowance*
1	Ms. Chaovana Vivatpanachati	Chairman of Audit Committee	90,000 Baht	75,000 Baht
2	Mr. Sansern Nilrat	Audit Committee	70,000 Baht	75,000 Baht
3	Mr. Sumet Chey-Onanund	Audit Committee	70,000 Baht	75,000 Baht

Remarks * Pay based on actual attendance.

The remuneration of the nomination and remuneration committee for a total of 3 persons is 25,000 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.

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.
- 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.

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.

2. Report on the Audit Committee's performance over the past year

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

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.

3. Summary of duties of other sub-committees

Nomination and Remuneration Committee

3.1 Number of meetings and attendance

Name of Remuneration Committee	Meeting Attendance
Mr. Sumet Chey-Onanund	1/1
Mr. Sansern Nilrat	1/1
Mr. Huai Hsin Lee	1/1

3.2 Nomination and Remuneration Committee performance

The Nomination and Remuneration Committee has conducted a 2022 charter review and regulations for The Company's early retirement, along with 1 meeting for 2022.

Internal Control and Related Transactions

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

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 Sripramoch (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.

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 Asdomnithee	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 Co., Ltd.	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	
	Financial statements in which the equity method is applied and separate financial statements	
<i>For the years ended 31 December</i>	2022	2021
Associate		
Rental income and other service charges	3,863	3,863
Purchase of packaging and supplies	11,463	9,938
Other expenses	-	21
Other related company		
Sales of goods	16,241	33,584
Purchase of raw materials	715	796
Key management personnel		
Short-term employee benefits	19,505	17,791
Post-employment benefits	323	287
Total key management personnel benefits	19,828	18,078

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	
	2022	2021
Other current receivable		
Associate	333	333
Total	333	333
 Trade payables		
Associate	2,021	3,322
Other related company	-	-
Total	2,021	3,322

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 2022 TO 31 DECEMBER 2022



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 2022, 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 2022, 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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) 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 the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the 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>Inventories</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"> • 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. • Comparing the inventory holding periods and inventory movements in order to identify product lines with indicators of lower inventory turnover than normal level. • Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line. • 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.

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

27 February 2023

Food and Drinks Public Company Limited

Statements of financial position

As at 31 December 2022

Unit : Baht

Assets	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2022	2021	2022	2021
Current assets					
Cash and cash equivalents	6	9,995,685	11,618,161	9,995,685	11,618,161
Trade and other current receivables	7	46,838,148	42,647,061	46,838,148	42,647,061
Inventories	8	103,830,831	121,898,390	103,830,831	121,898,390
Other current financial assets	9	2,721,734	1,000,000	2,721,734	1,000,000
Other current assets	10	10,220,365	11,314,926	10,220,365	11,314,926
Total current assets		173,606,763	188,478,538	173,606,763	188,478,538
Non-current assets					
Other non-current financial assets	9	-	901,330	-	901,330
Investment in associate	11	84,992,897	91,058,567	68,202,710	68,202,710
Investment property	12	95,211,441	96,076,375	95,211,441	96,076,375
Property, plant and equipment	13	1,165,901,507	1,171,908,593	1,165,901,507	1,171,908,593
Bearer plants	14	28,635,391	32,038,198	28,635,391	32,038,198
Right-of-use assets	15	5,379,329	3,313,331	5,379,329	3,313,331
Intangible assets	16	286,986	430,085	286,986	430,085
Other non-current assets		18,395,822	1,090,908	18,395,822	1,090,908
Total non-current assets		1,398,803,373	1,396,817,387	1,382,013,186	1,373,961,530
Total assets		1,572,410,136	1,585,295,925	1,555,619,949	1,562,440,068

Food and Drinks Public Company Limited

Statements of financial position

As at 31 December 2022

Unit : Baht

Liabilities and equity	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2022	2021	2022	2021
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	21,500,000	29,200,000	21,500,000	29,200,000
Trade and other current payables	18	78,278,363	82,503,402	78,278,363	82,503,402
Current portion of long-term loan					
from financial institutions	19	9,411,765	14,451,765	9,411,765	14,451,765
Current portion of lease liabilities	20	1,522,144	916,711	1,522,144	916,711
Other current financial liabilities		-	1,133,940	-	1,133,940
Other current liabilities		1,115,971	1,155,704	1,115,971	1,155,704
Total current liabilities		111,828,243	129,361,522	111,828,243	129,361,522
Non-current liabilities					
Long-term loan from financial institutions	19	4,705,882	29,077,647	4,705,882	29,077,647
Lease liabilities	20	1,822,710	1,105,717	1,822,710	1,105,717
Deferred tax liabilities	26	214,896,799	209,798,505	214,896,799	209,798,505
Non current provisions for employee benefits	21	35,466,696	38,332,229	35,466,696	38,332,229
Other non-current liabilities		924,810	924,810	924,810	924,810
Total non-current liabilities		257,816,897	279,238,908	257,816,897	279,238,908
Total liabilities		369,645,140	408,600,430	369,645,140	408,600,430

Food and Drinks Public Company Limited

Statements of financial position

As at 31 December 2022

Unit : Baht

Liabilities and equity	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2022	2021	2022	2021
Equity					
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)		(28,026,864)	(54,096,365)	(44,817,051)	(76,952,222)
Other components of equity	23	913,449,700	913,449,700	913,449,700	913,449,700
Total equity		1,202,764,996	1,176,695,495	1,185,974,809	1,153,839,638
Total liabilities and equity		1,572,410,136	1,585,295,925	1,555,619,949	1,562,440,068

Food and Drinks Public Company Limited

Statements of comprehensive income

For the year ended 31 December 2022

Unit : Baht

	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2022	2021	2022	2021
Revenues					
Revenues from sales		734,783,641	622,077,808	734,783,641	622,077,808
Dividend income from associate	11	-	-	13,640,542	10,230,407
Other income		19,014,594	17,290,455	19,014,594	17,290,455
Total revenues		753,798,235	639,368,263	767,438,777	649,598,670
Expenses					
Costs of sales of goods	8	622,118,836	530,100,960	622,118,836	530,100,960
Distribution costs		36,792,050	34,320,496	36,792,050	34,320,496
Administrative expenses		69,704,320	59,568,132	69,704,320	59,568,132
Total expenses		728,615,206	623,989,588	728,615,206	623,989,588
Profit from operating activities		25,183,029	15,378,675	38,823,571	25,609,082
Finance costs		(1,590,106)	(2,341,484)	(1,590,106)	(2,341,484)
Share of profit of associate accounted for using equity method	11	7,733,191	4,821,653	-	-
Profit before income tax expense		31,326,114	17,858,844	37,233,465	23,267,598
Income tax expense	26	5,098,294	8,572,876	5,098,294	8,572,876
Profit for the years		26,227,820	9,285,968	32,135,171	14,694,722
Other comprehensive income					
<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 on remeasurement of defined benefit plans	21	-	1,320,373	-	1,320,373
Share of other comprehensive income (expense) of associate accounted for using equity method		(197,899)	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	26	39,580	(23,046,225)	-	(23,046,225)
Total items that will not be reclassified subsequently to profit or loss		(158,319)	92,184,898	-	92,184,898
Other comprehensive income (expense) for the year, net of income tax		(158,319)	92,184,898	-	92,184,898
Total comprehensive income (expense) for the year		26,069,501	101,470,866	32,135,171	106,879,620
Basic earnings per share (in Baht)	27	1.49	0.53	1.82	0.83

Food and Drinks Public Company Limited

Statement of changes in equity (Financial statements in which the equity method is applied)

For the year ended 31 December 2022

Unit : Baht

	Note	Issued and paid - up		Retained earnings (deficits)		Other components of equity	Total equity
		share capital	Share premium	Legal reserve	Unappropriated	Revaluation	
						surplus on land	
Balance as at 1 January 2021		176,243,080	125,668,080	15,431,000	(64,438,631)	822,321,100	1,075,224,629
Total comprehensive income for the year							
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
Balance as at 31 December 2021		176,243,080	125,668,080	15,431,000	(54,096,365)	913,449,700	1,176,695,495
Balance as at 1 January 2022		176,243,080	125,668,080	15,431,000	(54,096,365)	913,449,700	1,176,695,495
Total comprehensive income for the year							
Profit for the year		-	-	-	26,227,820	-	26,227,820
Other comprehensive income							
Share of other comprehensive income (expense) of associate accounted for using equity method	11	-	-	-	(158,319)	-	(158,319)
Balance as at 31 December 2022		176,243,080	125,668,080	15,431,000	(28,026,864)	913,449,700	1,202,764,996

Food and Drinks Public Company Limited
Statement of changes in equity (Separate financial statements)
For the year ended 31 December 2022

Unit : Baht

	Note	Issued and paid - up		Retained earnings (deficits)		Other components of equity	Total equity
		share capital	Share premium	Legal reserve	Unappropriated	Revaluation	
						surplus on land	
Balance as at 1 January 2021		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							
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
Balance as at 31 December 2021		176,243,080	125,668,080	15,431,000	(76,952,222)	913,449,700	1,153,839,638
Balance as at 1 January 2022		176,243,080	125,668,080	15,431,000	(76,952,222)	913,449,700	1,153,839,638
Total comprehensive income for the year							
Profit for the year		-	-	-	32,135,171	-	32,135,171
Other comprehensive income		-	-	-	-	-	-
Balance as at 31 December 2022		176,243,080	125,668,080	15,431,000	(44,817,051)	913,449,700	1,185,974,809

Food and Drinks Public Company Limited

Statements of cash flows

For the year ended 31 December 2022

Unit : Baht

	Financial statements				
	in which equity method is applied		Separate financial statements		
	Note	2022	2021	2022	2021
Cash flows from operating activities					
Profit before tax		31,326,114	17,858,844	37,233,465	23,267,598
<i>Adjustments to reconcile profit before tax to cash receipts (payments)</i>					
Depreciation and amortisation		17,461,576	21,576,867	17,461,576	21,576,867
(Reversal of) allowance for expected credit loss	7	48,105	(18,755)	48,105	(18,755)
(Reversal of) loss on inventories devaluation	8	(1,700,291)	3,281,755	(1,700,291)	3,281,755
Gain on disposal of property, plant and equipment		(444,618)	-	(444,618)	-
Write-off of bearer plants	14	3,639,924	-	3,639,924	-
Share of profit of associate accounted for using equity method	11	(7,733,191)	(4,821,653)	-	-
Dividend income from associate	11	-	-	(13,640,542)	(10,230,407)
Long-term employee benefits expenses	21	2,232,013	2,465,052	2,232,013	2,465,052
Unrealised (gain) loss on foreign exchange		484,946	(57,728)	484,946	(57,728)
Unrealised (gain) loss on fair value of derivatives		(1,721,734)	1,133,940	(1,721,734)	1,133,940
Interest income		(16,699)	(12,086)	(16,699)	(12,086)
Finance costs		1,590,106	2,341,484	1,590,106	2,341,484
		45,166,251	43,747,720	45,166,251	43,747,720
<i>Changes in operating assets and liabilities</i>					
Trade and other current receivables		(4,727,040)	12,541,620	(4,727,040)	12,541,620
Inventories		19,767,851	(28,286,770)	19,767,851	(28,286,770)
Other current financial assets		-	107,295	-	107,295
Other current assets		597,613	2,311,541	597,613	2,311,541
Other non-current assets		(17,304,915)	379,936	(17,304,915)	379,936
Trade and other current payables		(6,192,696)	9,954,248	(6,192,696)	9,954,248
Other current financial liabilities		(1,133,940)	-	(1,133,940)	-
Other current liabilities		(39,734)	1,350	(39,734)	1,350
Provisions for employee benefits	21	(5,097,546)	(2,916,836)	(5,097,546)	(2,916,836)
Net cash generated from operating activities		31,035,844	37,840,104	31,035,844	37,840,104
Interest paid		(1,490,952)	(2,353,188)	(1,490,952)	(2,353,188)
Cash received from withholding tax refunded		1,134,177	-	1,134,177	-
Income tax paid		(637,229)	(632,761)	(637,229)	(632,761)
Net cash provided by operating activities		30,041,840	34,854,155	30,041,840	34,854,155

Food and Drinks Public Company Limited

Statements of cash flows

For the year ended 31 December 2022

Unit : Baht

Note	Financial statements			
	in which equity method is applied		Separate financial statements	
	2022	2021	2022	2021
<i>Cash flows from investing activities</i>				
Decrease in bank deposits used as collateral	901,330	-	901,330	-
Dividend income from associate	13,640,542	10,230,407	13,640,542	10,230,407
Proceeds from sale of property, plant and equipment	446,000	-	446,000	-
Acquisition of property, plant and equipment	(7,570,693)	(3,372,733)	(7,570,693)	(3,372,733)
Increase in bearer plants	(172,039)	(1,149,956)	(172,039)	(1,149,956)
Interest received	18,836	13,943	18,836	13,943
Net cash provided by investing activities	7,263,976	5,721,661	7,263,976	5,721,661
<i>Cash flows from financing activities</i>				
Decrease in bank overdrafts and short-term loans from financial institutions	(7,700,000)	(30,800,000)	(7,700,000)	(30,800,000)
Repayment of long-term loans	(29,411,765)	(9,411,765)	(29,411,765)	(9,411,765)
Repayment of lease liabilities	(1,816,527)	(1,586,989)	(1,816,527)	(1,586,989)
Net cash used in financing activities	(38,928,292)	(41,798,754)	(38,928,292)	(41,798,754)
Net decrease in cash and cash equivalents	(1,622,476)	(1,222,938)	(1,622,476)	(1,222,938)
Cash and cash equivalents at beginning of years	11,618,161	12,841,099	11,618,161	12,841,099
Cash and cash equivalents at ending of years	9,995,685	11,618,161	9,995,685	11,618,161

Supplemental cash flows information:

Non-cash items

Increase in equipment from other payables	2,186,484	365,920	2,186,484	365,920
Increase in bearer plants from other payables	161,949	-	161,949	-
Increase in equipment from lease liabilities	3,122,191	-	3,122,191	-

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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 15th floor 183, Ratchadamri Rd., Lumpini, Pathum Wan, 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 Banbung - Bankai Road, 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.

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. The accounting policies are described in each notes have been applied consistently to all periods presented in these financial statements.

2.3 The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Food and Drinks Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

2.4 New and revised Financial Reporting Standards

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

The Company has adopted the revised Financial Reporting Standards by the Federation of Accounting Professions that have been effective for accounting periods beginning on or after 1 January 2022. The adoption of these Financial Reporting Standards 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 the new and revised Financial Reporting Standards which will be effective for accounting periods beginning on or after 1 January 2023, 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's assess that there will be no material impacts on the Financial statements in the period 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 2022****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 2022

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	5 - 20 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 2022

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, 20 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 2022

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 2022**

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 2022****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 2022**

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 2022

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 2022****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 2022**

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 2022

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 2022

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:

Name of entities / person	Country of incorporation/ nationality	Nature of relationships
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
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 2022

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

Transaction	Pricing policy
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	
	Financial statements in which the equity method is applied and separate financial statements	
<i>For the years ended 31 December</i>	2022	2021
Associate		
Rental income and other service charges	3,863	3,863
Purchase of packaging and supplies	11,463	9,938
Other expenses	-	21
Other related company		
Sales of goods	16,241	33,584
Purchase of raw materials	715	796
Key management personnel		
Short-term employee benefits	19,505	17,791
Post-employment benefits	323	287
Total key management personnel benefits	19,828	18,078

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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	
	2022	2021
Other current receivable (See Note 7)		
Associate	333	333
Total	333	333
Trade payables (See Note 18)		
Associate	2,021	3,322
Total	2,021	3,322

6 Cash and cash equivalents

	Unit : Thousand Baht	
	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Cash	40	40
Cash at banks - current accounts	286	351
Cash at banks - savings accounts	9,670	11,227
Total	9,996	11,618

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

7 Trade and other current receivables

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Trade receivables		
Other parties	44,834	41,426
Total	44,834	41,426
<i>Less</i> allowance for expected credit loss	(48)	-
Net	44,786	41,426
Other current receivables		
Other receivable - related party	333	333
Other receivable - other parties	1,240	539
Advance payments	77	24
Accrued interest income	2	4
Prepaid expenses	400	321
Total	2,052	1,221
Total trade and other current receivables	46,838	42,647

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Expected credit losses for the year	48	-
Reversal of expected credit losses for the year	-	(19)
	48	(19)

Food and Drinks Public Company Limited**Notes to the financial statements****For the year ended 31 December 2022**

Aging analyses for trade accounts receivable are as follows:

	Unit : Thousand Baht	
	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Other parties		
Aged on the basis of due dates		
Within credit terms	30,930	37,356
Overdue:		
Less than 3 months	13,579	3,596
3-6 months	156	474
6-12 months	121	-
Over 12 months	48	-
Total	44,834	41,426
Less allowance for expected credit loss	(48)	-
Net	44,786	41,426
Trade receivables - net	44,786	41,426

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 2022

8 Inventories

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Finished goods	33,364	49,469
Raw materials	39,693	45,754
Packaging and supplies	51,772	50,430
Goods in transit	1,408	351
Total	126,237	146,004
<i>Less</i> allowance for diminution in value of inventories	(22,406)	(24,106)
Net	103,831	121,898
	2022	2021
<i>Inventories recognised as an expense in 'cost of sales of goods':</i>		
Cost	623,819	526,819
Write-down to net realisable value	-	3,282
Reversal of loss on inventories revaluation	(1,700)	-
Net	622,119	530,101

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

9 Other financial assets

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Other current financial assets		
Fixed deposit	1,000	1,000
Forward contracts to sell foreign currencies	1,722	-
Total	2,722	1,000
Other non-current financial assets		
Bank deposits used as collateral	-	901
Total	-	901

10 Other current assets

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Refundable purchase tax	4,563	4,758
Tax coupons	446	327
Advance payment	3,680	4,257
Withholding income tax	1,270	1,767
Others	261	206
Total	10,220	11,315

Food and Drinks Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

11 Investment in associate*11.1* Details of associate

Unit : Thousand Baht

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

Name	Type of business	Ownership interest (%)		Paid-up capital		Cost		Equity		Dividend income for the year	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Hon Chuan FD Packaging Company Limited	Manufacture of plastic bottles and label	35	35	194,865	194,865	68,203	68,203	84,993	91,059	13,641	10,230
Total						68,203	68,203	84,993	91,059	13,641	10,230

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 2022

Summary of financial information of the associate

Unit : Thousand Baht

Hon Chuan FD Packaging
Company Limited

	2022	2021
Revenues	309,795	304,994
Profit for the years from continuing operations	22,190	14,038
Other comprehensive income	(452)	-
Current assets	206,509	201,031
Non-current assets	80,648	98,732
Current liabilities	(37,855)	(34,443)
Non-current liabilities	(6,249)	(5,031)
Net assets	243,053	260,289
Shareholding percentage (%)	35	35
Share of net assets	85,069	91,101
Elimination entries	(76)	(42)
Carrying amounts of associate based on equity method	84,993	91,059

11.2 Movements of investment in associate

Movement of Investment in associate during the years ended 31 December 2022 and 2021 are as follows:

Unit : Thousand Baht

	Financial statements in which the equity method is applied		Separate financial statements	
	2022	2021	2022	2021
At 1 January	91,059	96,467	68,203	68,203
Share of profit from associate account for using equity method	7,733	4,822	-	-
Share of other comprehensive income (expense) of associate accounted for using equity method	(158)	-	-	-
Dividend income	(13,641)	(10,230)	-	-
At 31 December	84,993	91,059	68,203	68,203

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

12 Investment properties

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements			
	Land	Buildings	Building improvement	Total
Cost				
As at 31 December 2021	93,949	117	4,221	98,287
As at 31 December 2022	93,949	117	4,221	98,287
Accumulated depreciation				
As at 1 January 2021	-	57	1,271	1,328
Depreciation charge for the year	-	39	844	883
As at 31 December 2021	-	96	2,115	2,211
Depreciation charge for the year	-	21	844	865
As at 31 December 2022	-	117	2,959	3,076
Net book value				
As at 31 December 2021	93,949	21	2,106	96,076
As at 31 December 2022	93,949	-	1,262	95,211

The carrying amount of investment properties as at 31 December 2022 was amounting of Baht 94.32 million (2021 : Baht 94.56 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 by an independent appraiser in 2021.

For the year ended 31 December 2022 investment properties contributed rental income which recognised in profit and loss of Baht 11.42 million. (2021: Baht 11.39 million)

Food and Drinks Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

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	Construction in progress	
Cost / Revalued amount:								
As at 1 January 2021	953,051	131,387	214,621	471,560	14,812	7,918	-	1,793,349
Additions	113,911	-	-	909	671	-	-	115,491
As at 31 December 2021	1,066,962	131,387	214,621	472,469	15,483	7,918	-	1,908,840
Additions	-	-	3,170	1,247	126	-	4,553	9,096
Disposals	-	-	-	(3,723)	(2)	(1,049)	-	(4,774)
As at 31 December 2022	1,066,962	131,387	217,791	469,993	15,607	6,869	4,553	1,913,162

Food and Drinks Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

Unit : Thousand Baht

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

	Land	Buildings	Building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
Accumulated depreciation								
As at 1 January 2021	-	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
Depreciation charge	-	4,028	4,397	5,864	771	43	-	15,103
Disposals	-	-	-	(3,722)	(2)	(1,049)	-	(4,773)
As at 31 December 2022	-	119,727	162,808	424,737	13,995	5,157	-	726,424
Allowance for impairment loss								
As at 31 December 2021	-	-	1,937	18,847	53	-	-	20,837
As at 31 December 2022	-	-	1,937	18,847	53	-	-	20,837

Food and Drinks Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

Unit : Thousand Baht

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

	Land	Buildings	Building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
Net book value								
As at 31 December 2021	<u>1,066,962</u>	<u>15,688</u>	<u>54,273</u>	<u>31,027</u>	<u>2,204</u>	<u>1,755</u>	<u>-</u>	<u>1,171,909</u>
As at 31 December 2022	<u>1,066,962</u>	<u>11,660</u>	<u>53,046</u>	<u>26,409</u>	<u>1,559</u>	<u>1,712</u>	<u>4,553</u>	<u>1,165,901</u>

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 2022 was amounted to Baht 605.86 million (2021 : Baht 518.32 million)

Certain plots of its land with constructions thereon and certain machinery, with book values as at 31 December 2022 amounting to approximately Baht 1,079.10. million (2021 : Baht 1,081.12 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.

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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
<i>Cost</i>			
As at 1 January 2021	-	31,180	31,180
Additions	-	1,150	1,150
Transfer in (out)	17,068	(17,068)	-
As at 31 December 2021	17,068	15,262	32,330
Additions	-	334	334
Write-off	-	(3,640)	(3,640)
Transfer in (out)	157	(157)	-
As at 31 December 2022	17,225	11,799	29,024
<i>Amortisation</i>			
As at 1 January 2021	-	-	-
Amortisation charge for year	292	-	292
As at 31 December 2021	292	-	292
Amortisation charge for year	97	-	97
As at 31 December 2022	389	-	389
<i>Net book value</i>			
As at 31 December 2021	16,776	15,262	32,038
As at 31 December 2022	16,836	11,799	28,635

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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
Cost			
As at 1 January 2021	2,050	3,802	5,852
Additions	-	-	-
As at 31 December 2021	2,050	3,802	5,852
Additions	2,615	704	3,319
Transfer out	(2,050)	-	(2,050)
As at 31 December 2022	2,615	4,506	7,121
Amortisation			
As at 1 January 2021	911	383	1,294
Amortisation charge for year	911	334	1,245
As at 31 December 2021	1,822	717	2,539
Amortisation charge for year	882	371	1,253
Transfer out	(2,050)	-	(2,050)
As at 31 December 2022	654	1,088	1,742
Net book value			
As at 31 December 2021	228	3,085	3,313
As at 31 December 2022	1,961	3,418	5,379

Food and Drinks Public Company Limited**Notes to the financial statements****For the year ended 31 December 2022**

Expense relating to leases recognised in profit or loss for the years ended 31 December 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Depreciation of right-of-use assets	1,253	1,245
Interest on lease liabilities	113	75
Expenses relating to leases of low-value assets	1,583	600

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

16 Intangible assets

	Unit : Thousand Baht
	Financial statements in which the equity method is applied and separate financial statements
	<hr/>
<i>Computer software</i>	
<i>Cost</i>	
As at 1 January 2021	10,291
Additions	-
As at 31 December 2021	10,291
Additions	-
As at 31 December 2022	10,291
 <i>Amortisation</i>	
As at 1 January 2021	9,718
Amortisation charge for year	143
As at 31 December 2021	9,861
Amortisation charge for year	143
As at 31 December 2022	10,004
 <i>Net book value</i>	
As at 31 December 2021	430
As at 31 December 2022	287

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

17 Bank overdrafts and short-term loans from financial institutions

Unit : Thousand Baht

	Interest rate (% per annum)	Financial statements in which the equity method is applied and separate financial statements	
		2022	2021
Bank overdrafts	MOR	-	-
Promissory notes	2.49% – 3.30%	21,500	29,200
	And the rates based on BIBOR + 1.75%		
Total		21,500	29,200

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	
	2022	2021
Trade payables		
Associate	2,021	3,322
Other parties	48,213	51,166
Total	50,234	54,488
Other current payables		
Other payables - Other parties	6,133	11,802
Accrued expenses	20,862	16,140
Advance received	1,049	73
Total	28,044	28,015
Total trade and other current payables	78,278	82,503

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

19 Long-term loan from financial institution

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Long-term loan from financial institution	14,118	43,530
<i>Less</i> Current portion	(9,412)	(14,452)
Long-term loan from financial institution, net of current portion	4,706	29,078

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 repaid in full 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

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Lease liabilities	3,475	2,075
<i>Less</i> Deferred interest expenses	(130)	(53)
Total	3,345	2,022
<i>Less</i> Portion due within one year	(1,522)	(916)
Lease liabilities - net of current portion	1,823	1,106

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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	
	2022	2021
<i>Within one year</i>		
Future minimum lease payments	1,610	948
<i>Less</i> Deferred interest	(88)	(32)
Present value of minimum lease payments	1,522	916
<i>After one year but within five years</i>		
Future minimum lease payments	1,865	1,127
<i>Less</i> Deferred interest	(42)	(21)
Present value of minimum lease payments	1,823	1,106

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	
	2022	2021
Present value of unfunded obligations	35,467	38,332

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

Movements in the present value of the defined benefit obligations

	Unit : Thousand Baht	
	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Defined benefit obligations at 1 January	38,332	40,104
Actuarial gain recognised in other comprehensive income	-	(1,320)
Current service costs	1,798	2,068
Interest on obligation	434	397
Benefit paid	(5,097)	(2,917)
Defined benefit obligations at 31 December	35,467	38,332
Items recognised in profit or loss		
Current service costs	1,798	2,068
Interest on obligation	434	397
Total	2,232	2,465
Items recognised in comprehensive income		
Actuarial gain	-	(1,320)
Total	-	(1,320)

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

	Unit : Thousand Baht	
	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Cost of sale	1,540	1,596
Selling and administrative expenses	692	869
Total	2,232	2,465

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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	
	2022	2021
<i>For the years ended 31 December</i>		
Demographic assumptions	-	-
Financial assumptions	-	(380)
Experience adjustment	-	(940)
Total	-	(1,320)

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	
	2022	2021
	(%)	
Discount rate	1.67	1.67
Salary increase rate	4.0	4.0
Employee turnover rate	3.34 – 40.11	3.34 – 40.11

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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.

	Unit : Thousand Baht	
	Financial statements in which the equity method is applied and separate financial statement	
	2022	2021
	<i>Increase (decrease)</i>	
Discount rate		
1% increase	(1,479)	(1,558)
1% decrease	1,663	1,749
Salary increase rate		
1% increase	1,894	1,690
1% decrease	(1,719)	(1,539)
Employee turnover rate		
20% increase	(1,547)	(1,365)
20% decrease	1,794	1,568

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

22 Share Capital

		Financial statements in which the equity method is applied and separate financial statements			
		2022		2021	
Par	Value	Number of share	Amount baht	Number of share	Amount baht
<i>(in Baht)</i>		<i>(thousand shares/Thousand Baht)</i>			
<i>Authorized Share Capital</i>					
At 1 January					
- ordinary shares	10	17,624	176,243	17,624	176,243
At 31 December					
- ordinary shares		17,624	176,243	17,624	176,243
<i>Issued and paid - up</i>					
At 1 January					
- ordinary shares	10	17,624	176,243	17,624	176,243
At 31 December					
- ordinary shares		17,624	176,243	17,624	176,243
<i>Share premium</i>					

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 2022****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 2022

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	
	2022	2021	2022	2021	2022	2021
Export sales	439,942	385,072	-	-	439,942	385,072
Domestic sales	293,317	236,326	1,525	680	294,842	237,006
	<u>733,259</u>	<u>621,398</u>	1,525	680	734,784	622,078
Other income	-	-	1,525	680	1,525	680
Total revenues	<u>733,259</u>	<u>621,398</u>	<u>3,050</u>	<u>1,360</u>	<u>736,309</u>	<u>622,758</u>
Profit (loss) for reportable segments	<u>8,113</u>	<u>(915)</u>	<u>(419)</u>	<u>(316)</u>	7,694	(1,231)
Unallocated other income					17,489	16,610
Finance costs					(1,590)	(2,342)
Share of profit of associate accounted for using equity					7,733	4,822
Income tax expense					(5,098)	(8,573)
Profit for the year					<u>26,228</u>	<u>9,286</u>

The following table presents segment assets of the Company as at 31 December 2022 and 2021 are as follows.

Unit : Thousand Baht

	Financial statements in which the equity method is applied					
	Food and beverage		Products from rubber trees		Total	
	2022	2021	2022	2021	2022	2021
Assets by reportable segments	<u>370,119</u>	<u>383,995</u>	<u>876,147</u>	<u>879,550</u>	1,246,266	1,263,545
Other unallocated assets					326,144	321,750
Total assets					<u>1,572,410</u>	<u>1,585,295</u>

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

Major customers

The Company recognized revenues from sales of four major customers (income received from customers over 10% of total income) for the ended 31 December 2022, amounting to Baht 419.99 million. *(31 December 2021 : sales of three major customers Baht 243.35 million).*

25 Expenses by nature

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
Changes in inventories of finished goods	16,105	(23,366)
Raw materials and consumables used	372,404	339,192
Employee benefit expenses	158,646	151,458
Depreciation and amortisation	17,462	21,577
Advertising and promotion expenses	1,093	730
Rental expenses from operating lease agreements	3,409	3,409

26 Income tax

Income tax recognised in profit or loss

Unit : Thousand Baht

	Financial statements			
	in which equity method is applied		Separate financial statements	
	2022	2021	2022	2021
Current tax expense				
Current year	-	-	-	-
Deferred tax expense				
Relating to origination and reversal of temporary differences	5,098	8,573	5,098	8,573
Income tax expenses	5,098	8,573	5,098	8,573

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

Income tax recognised the statements of other comprehensive income

Unit : Thousand Baht

	Financial statements		Separate	
	in which equity		financial statements	
	method is applied			
	2022	2021	2022	2021
Changes in revaluation of land	-	(22,782)	-	(22,782)
Actuarial gain	-	(264)	-	(264)
Share of other comprehensive (income) expense of associate accounted for using equity method	39	-	-	-
Total	39	(23,046)	-	(23,046)

Reconciliation of effective tax rate

Unit : Thousand Baht

	Financial statements in which equity method is applied			
	2022		2021	
	Rate		Rate	
(%)		(%)		
Profit before income tax expense		31,326		17,859
Income tax using the Thai corporation tax rate	20	6,265	20	3,572
Effects of:				
Share of profit (loss) from investment in associate		(1,547)		(964)
Items treated as revenues		(1,429)		(353)
Items not treated as expenses		1,107		868
Loss carry forward		(4,396)		(3,123)
Income tax for the year		-		-
Movement in Temporary differences		5,098		8,573
Income tax expenses		5,098		8,573

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

Unit : Thousand Baht

	Separate financial statements			
	2022		2021	
	Rate (%)		Rate (%)	
Profit before income tax expense		37,233		23,268
Income tax using the Thai corporation tax rate	20	7,447	20	4,654
Effects of:				
Items treated as revenues		(4,158)		(2,399)
Items not treated as expenses		1,107		868
Loss carry forward		(4,396)		(3,123)
Income tax for the year		-		-
Movement in Temporary differences		5,098		8,573
Income tax expenses		5,098		8,573

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	
	2022	2021	2022	2021
	Deferred tax assets			
Allowance for impairment loss on trade account receivables	10	-	10	-
Allowance for diminution in value of inventories	4,481	4,821	4,481	4,821
Allowance for impairment loss on assets	187	467	187	467
Provision for long-term employee benefits	7,094	7,666	7,094	7,666
Unused tax loss	1,694	5,600	1,694	5,600
Lease liabilities	386	37	386	37
Total	13,852	18,591	13,852	18,591
Deferred tax liability				
Revaluation surplus on land	228,362	228,362	228,362	228,362
Right-of-use assets	387	28	387	28
Total	228,749	228,390	228,749	228,390
Deferred tax liabilities - net	214,897	209,799	214,897	209,799

Food and Drinks Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

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

Unit : Thousand Baht

	(Charged) / Credited to:				(Charged) / Credited to:			
	Other comprehensive income			31 December	Other comprehensive income			31 December
	1 January 2021	Profit or loss	income	2021	1 January 2022	Profit or loss	income	2022
Deferred tax assets								
Allowance for impairment loss on trade account receivables	4	(4)	-	-	-	10	-	10
Allowance for diminution in value of inventories	4,165	656	-	4,821	4,821	(340)	-	4,481
Allowance for impairment loss on assets	603	(136)	-	467	467	(280)	-	187
Provision for long-term employee benefits	8,020	(90)	(264)	7,666	7,666	(572)	-	7,094
Unused tax loss	14,602	(9,002)	-	5,600	5,600	(3,906)	-	1,694
Lease liabilities	212	(175)	-	37	37	349	-	386
Total	27,606	(8,751)	(264)	18,591	18,591	(4,739)	-	13,852
Deferred tax liability								
Revaluation surplus on land	205,580	-	22,782	228,362	228,362	-	-	228,362
Right-of-use assets	206	(178)	-	28	28	359	-	387
Total	205,786	(178)	22,782	228,390	228,390	359	-	228,749
Deferred tax liabilities - net	178,180	(8,573)	(23,046)	209,799	209,799	(5,098)	-	214,897

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

27 Earnings per share

The calculation of basic earnings per share for each of the year ended 31 December 2022 and 2021 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	
	2022	2021	2022	2021
Profit attributable to ordinary shareholders of the Company	26,228	9,286	32,135	14,695
Number of ordinary shares outstanding	17,624	17,624	17,624	17,624
Earnings per share (basic) (in Baht)	1.49	0.53	1.82	0.83

28 Financial instruments

28.1 Carrying amounts and fair values

The fair value of other financial assets and liabilities, do not differ significantly from amount recorded in the statement of financial position.

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
31 December 2022				
Financial assets				
Forward exchange contracts	-	1,722	-	1,722
31 December 2021				
Financial liabilities				
Forward exchange contracts	-	(1,134)	-	(1,134)

Food and Drinks Public Company Limited**Notes to the financial statements****For the year ended 31 December 2022**

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.

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.

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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
As at 31 December 2022		
Within credit terms	30,930	-
Overdue:		
1-30 days	8,686	-
31-60 days	4,629	-
61-90 days	264	-
More than 90 days	325	48
Total	44,834	48
Less allowance for expected credit loss	(48)	
Net	44,786	

	Unit : Thousand Baht	
	Financial statements in which the equity method is applied and separate financial statement	
	Trade accounts receivables	Allowance for expected credit loss
As at 31 December 2021		
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	-
Total	41,426	-
Less allowance for expected credit loss	-	
Net	41,426	

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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	
	2022	2021
At 1 January	-	19
Addition	48	-
Reversal	-	(19)
At 31 December	48	-

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.

As at 31 December 2022, the remaining contractual maturities of financial liabilities ,which the amounts are gross and undiscounted 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 2022</i>					
<i>Non-derivative financial liabilities</i>					
Short term loans from financial institutions	21,500	21,500	-	-	21,500
Trade payables	78,278	78,278	-	-	78,278
Long term loans from financial institutions	14,118	9,412	4,706	-	14,118
Lease liabilities	3,345	1,610	1,865	-	3,475
	117,241	110,800	6,571	-	117,371

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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 2022</i>					
Derivative financial liabilities					
Forward exchange contracts					
- Cash inflow	1,722	1,722	-	-	1,722
	<u>1,722</u>	<u>1,722</u>	<u>-</u>	<u>-</u>	<u>1,722</u>

As at 31 December 2021, the remaining contractual maturities of financial liabilities ,which the amounts are gross and undiscounted 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>					
Non-derivative financial liabilities					
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	2,022	948	1,127	-	2,075
	<u>157,255</u>	<u>127,103</u>	<u>30,205</u>	<u>-</u>	<u>157,308</u>
Derivative financial liabilities					
Forward exchange contracts					
- Cash outflow	1,134	1,134	-	-	1,134
	<u>1,134</u>	<u>1,134</u>	<u>-</u>	<u>-</u>	<u>1,134</u>

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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.

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:

	Financial statements in which the equity method is applied and separate financial statements			
	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>31 December 2022</u>	<u>31 December 2021</u>
	<i>(Thousand)</i>		<i>(Baht per 1 foreign currency unit)</i>	
			<i>Exchange rates</i>	
Financial assets				
US dollar	562	362	34.3913	33.2469
Financial liabilities				
US dollar	13	24	34.7335	33.5929
EUR	68	-	37.2053	-
Forward exchange contracts				
US dollar	1,029	2,650	34.5624	33.4199

Food and Drinks Public Company Limited**Notes to the financial statements****For the year ended 31 December 2022**

Unit : Thousand Baht

	Financial statements in which the equity method is applied and separate financial statements	
	2022	2021
As at 31 December		
Exposure to foreign currency		
US dollar		
Cash and cash equivalents	13	12
Trade and other current receivables	19,318	12,013
Trade and other current payables	464	806
Gross Balance Sheet exposure	19,795	12,831
EUR		
Trade and other current payables	2,535	-
Gross Balance Sheet exposure	2,535	-

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

Unit : Thousand Baht

	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
As at 31 December 2022					
US dollar	10	1,979	(1,979)	-	-
EUR	10	253	(253)	-	-

Unit : Thousand Baht

	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
As at 31 December 2021					
US dollar	10	1,122	(1,122)	-	-

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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 2022, according to the statement of financial position in which equity method is applied, the Company's debt-to-equity ratio was 0.31:1 (2021 : 0.35:1) and according to the separate financial statements, the Company's debt-to-equity ratio was 0.31:1 (2021:0.35:1).

29 Commitments with non-related parties

Unit : Thousand Baht

		Financial statements in which the equity method is applied and separate financial statements	
		2022	2021
Capital commitments			
Contracted but not provided for:			
Machinery and equipment	Thousand Baht	35,850	-
Machinery	Thousand USD	68	-
Future minimum lease payment under non-cancellable Operating lease and service contracts			
Within one year		8,315	1,280
After one year but within five years		10,535	273
Total		18,850	1,553
Other commitments			
Bank guarantees		33,966	33,239
Forward exchange contracts		37,013	87,442
Total		70,979	120,681

Food and Drinks Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

Operating lease Commitments

As at 31 December 2022, 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 2022, 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 2022, the Company entered into forward exchange contracts to sell totalling Baht 37.01 million (USD 1.03 million) These contracts are due from 6 July 2022 - 20 June 2023.

Unused credit facilities

As at 31 December 2022, the Company had unused overdrafts and short-term loans facilities from financial institutions totalling Baht 148.03 million. (2021: Baht 299.56 million) Forward exchange contract unused totalling USD 7.97 million (2021: USD 6.35 million) and long-term loan facility from a financial institution amounting to Baht 47 million, using for investment in Solar Rooftop machinery and equipment, and collateralized by such machinery and equipment.

30 Reclassification of accounts

Certain accounts in the 2021 financial statements have been reclassified to conform with the presentation in the 2022 financial statements as follows:

	Unit : Thousand Baht		
	2021		
	Before reclass	Reclass	After reclass
Statements of Comprehensive Income			
Other income	23,510	(6,220)	17,290
Costs of sales of goods	536,321	(6,220)	530,101
Administrative expenses	58,789	779	59,568
Finance costs	3,120	(779)	2,341

31 Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 27 February 2023.

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 Nongnuch Thaiprasertsook 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. Miss Huai Hui Lee.....	Chief Operating Officer.....	
2. Mrs. Chintana Asdornnithee.....	Executive Director.....	
Authorized person	Position	Signature
Miss Nungnuch Thaiprasertsook.....	Company Secretary.....	



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.
- 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.



- 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.



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. 1/2022 on January 19, 2022 and will be effective from January 19, 2022 onwards.

(Mr.Phirasilp Subhapholsiri)

Chairman, Independent Director



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



- 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.

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. 1/2022 on

January 19, 2022 and will be effective from January 19, 2022 onwards.

(Mr.Phirasilp Subhapholsiri)

Chairman, Independent Director



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 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.
- 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.
- 4.4 Responsible for any other duties assigned by the Board of Directors.
- 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.

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. 1/2022 on January 19, 2022 and will be effective from January 19, 2022 onwards.

(Mr.Phirasilp Subhapholsiri)
Chairman, Independent Director



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-Nanand and Mr. Sansern Nilrat 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. Reported to the Board of Directors

In 2022, the Audit Committee held 5 meetings, with all audit committee members attending every meeting.

The Audit Committee has reviewed the financial statement reports. Review the company's internal control system and effective internal audits. To consider and select external auditor and present to the Board of Directors for consideration and other duties as assigned by the Board of Directors, which is in accordance with the requirements and best practices for the Audit Committee of the Stock Exchange of Thailand.

Summary of the key performance of the Audit Committee in the year 2022 as follows:

1. The Audit Committee reviewed the Company's quarterly and 2022 financial statements to ensure that the financial reports were prepared correctly as they should be in accordance with generally accepted accounting standards and adequate disclosure of financial statements. Presented to the Board of Directors for approval, the meeting was held with the auditor without management attending the meeting. 1 time in 2022.
2. The Audit Committee has conducted for the Company to hire an external Internal Auditor, D.I.A. Audit Co., Ltd., to continuously assess the adequacy of the internal control system. In 2022, it is scheduled to review the internal control system on the subject the appropriate of control the finished goods inventory control system. Received a report on the results of the internal audit directly from the internal auditor, which found that overall the company has a sufficient internal control system, with the internal auditor making recommendations to improve existing weaknesses or deficiencies, which management will follow up to correct in accordance with the recommendations of the internal auditor.
3. Review the Company's compliance with securities and exchange laws, Stock Exchange Terms or business-related laws.
4. To consider the charter of the Audit Committee annually to ensure that the performance is complete and that the responsibilities are in line with the good practices of the Stock Exchange of Thailand and suitable for business.



5. To consider, select, propose to an independent person to act as an external auditor of the Company. The Audit Committee has considered the proposal of the auditor, Mr. Pornchai Kittipanya-Ngam Certified Auditor No. 2778 or Mrs. Suwanee Kittipanya-Ngam Certified Auditor No. 2899 or Mr. Thanakorn Fakfaipol Certified Auditor No. 4879 from Bunchikij Co., Ltd. is the auditor of the Company for the year 2022 and configures the audit fee to be presented to the Board of Directors' meeting.
6. Review 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 with the specified. Evaluate management plans and monitor risk management in various areas 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 understanding in the same way between Audit Committee, Management, Internal Auditor and Auditor.
9. Prepare the Audit Committee's Report.
10. Perform any other operations as required by law or assigned by the Board of Directors within the scope of responsibility of the Audit Committee.

The Audit Committee has determined that in the past year, The Board of Directors and its Executives have demonstrates in good management system and accordance to the principles of corporate good governance.

(Ms. Chovana Vivatpanachati)

Chairman, Audit Committee



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 1 meeting 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