



**Food and Drinks**  
*Public Company Limited*

# 56-1 ONE REPORT 2023



+66 (0) 2253-5232-3

[info@foodanddrinks.co.th](mailto:info@foodanddrinks.co.th)

[www.foodanddrinks.co.th](http://www.foodanddrinks.co.th)



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# *Message from Chairman*

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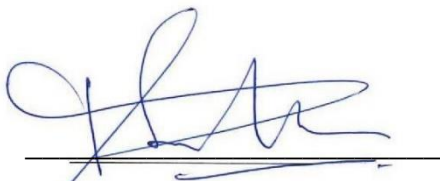
Dear Shareholders,

In 2023, there were impacts from the economic recession both domestically and internationally. As a result, the company's sales decreased slightly. But, profit increased as a result of costs reduction and good administration. The Company's sales was Baht 731.65 million, representing a year-on-year decrease of 1.04%. Net profit was Baht 51.09 million or Baht 2.90 per share.

For 2024, the risks from conflicts in eastern Europe and the Middle East are rises in fuel and energy costs, increases in inflation and interest rates, which indirectly affect transportation costs and supply chain interruptions. 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



Ms. Huai Hui Lee

Chief Executive Office



# Certificate of Registration

## Food and Drinks Public Co., Ltd.

695/1 Banbung-Bankai Rd., Klongkew Banbung, Chonburi, 20220 Thailand

operates under a

### Food Safety Program

which complies with the requirements of:

### Good Hygiene Practices (GHP)

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.

Registration No: TH533-GHP  
Certification/Reissue Date: 17 January 2023

Original Certification: 15 January 2020  
Expiry Date: 14 January 2026

Sean Bates  
Accreditation Manager  
TQCSI International (Group) Pty Ltd  
For the TQCSI Certification Approval Panel

This certificate verifies the original certificate issued and is valid as long as it is displayed as an electronic copy at [www.tqcsi.com](http://www.tqcsi.com) and surveillance audits are satisfactorily completed. TQCSI International Pty Ltd (ABN 59 085 953 924) of Quality House, 117A Tapleys Hill Road, Hendon, SA, 5014, Australia issues certification subject to the TQCSI Rules of Certification.



HACCP Certified

# Certificate of Registration

## Food and Drinks Public Co., Ltd.

695/1 Banbung-Bankai Rd., Klongkew Banbung, 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, ingredient and pet food processing/C2 - Processing of perishable plant-based products, C - Food, ingredient and pet food processing/C3 - Processing of perishable animal and plant products, C - Food, ingredient and pet food processing/C4 - Processing of ambient stable products

Registration No: TH533-HC  
Certification/Reissue Date: 17 January 2023

Original Certification: 31 January 2017  
Expiry Date: 14 January 2026

Sean Bates  
Accreditation Manager  
TQCSI International (Group) Pty Ltd  
For the TQCSI Certification Approval Panel

This certificate verifies the original certificate issued and is valid as long as it is displayed as an electronic copy at [www.tqcsi.com](http://www.tqcsi.com) and surveillance audits are satisfactorily completed. TQCSI International Pty Ltd (ABN 59 085 953 924) of Quality House, 117A Tapleys Hill Road, Hendon, SA, 5014, Australia issues certification subject to the TQCSI Rules of Certification.



# Certificate of Conformity

Audit Date  
08-MAY-2023

Next Audit Due  
06-Sep-2023  
to 06-Jun-2024

Certificate Expiry Date  
18-Jul-2024

Certificate Number  
C0085073-BRC10

BRC Site Code  
1928315

BRC Auditor No  
22313

Date of Issue  
05-Jun-2023

## Food and Drinks Public Co., Limited

695/1 Banbung-Bankai Rd. Moo 1 Klongkew Banbung Chonburi 20220 Thailand  
Has been audited by NSF Certification LLC, and found to meet the requirements of Standard:

### Global Standard for Food Safety Issue 9: AUGUST 2022

Audit Program:  
Unannounced

Scope of Certification:

1. Washing, sorting, cutting, packing, sealing, and sterilization of fruits and vegetables (e.g. bamboo shoots, water chestnut) in cans, glass jars, and flexible pouches. 2. Washing, mincing, mixing, cooking, filling, sealing, and sterilization of sauce paste and sauces in glass jars, cans, tubes, and flexible pouches. 3. Mixing and filling of fish sauce in glass bottles. 4. Washing, peeling and cutting (Aloe vera), mixing, UHT pasteurizing, hot filling beverages in cans and PET bottles. 5. Washing, cutting, weighing, mixing-cooking, cooling, packing, chilling/freezing of 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 meals in plastic trays.

Exclusions from Scope:  
None

Fields of Audit:

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

Grade Achieved: B +

Signed on behalf of  
NSF Certification, LLC

Sarah Krol  
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.



ISO/IEC 17065  
Product Certification Body  
#1181

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  
[TelUS@brcglobalstandards.com](mailto:TelUS@brcglobalstandards.com).

To verify certificate validity, please visit [www.brcdirectory.com](http://www.brcdirectory.com).



Certification Body

CERTIFICATED

สำนักงานคณะกรรมการอิสลามประจำจังหวัดชลบุรี  
402 หมู่ 5 ถนน 331 ต.คันทันต์ อ.บางละมุง จ.ชลบุรี 20150  
โทรศัพท์ 038-199598, 063-2189141 โทรสาร 038-199599  
เลขประจำผู้เสียภาษี 0992002096682

THE OFFICE OF PROVINCIAL ISLAMIC COUNCIL OF CHONBURI  
402 Moo.5, 331 Rd. Takhathai, A. Banglamung, Chonburi 20150  
Tel. 038-199598, 063-2189141 Fax: 038-199599

เลขที่ 109/2567 **หนังสือรับรองฮาลาล**  
หนังสือรับรองฉบับนี้ให้เพื่อแสดงว่า

ผู้ประกอบการ บริษัท ชูติแอนด์ครัซซี่ จำกัด (มหาชน)

ตั้งเลขที่ เลขที่ 183 อาคารวีเจเนท เอ็กซ์ ชั้นที่ 15 ถนนราชมารดา แขวงอุมพิน เขตปทุมวัน  
กรุงเทพมหานคร 10330

ผลิตภัณฑ์ / เครื่องดื่มที่ รับจ้างผลิตพริกแกง-เครื่องแกง, น้ำผักผลไม้พร้อมดื่ม, ทรายเชื่อมเมอร์  
ผักและผลไม้บรรจุกระป๋อง, ครัวF&D และซอสผลไม้ ราชอาณาจักรตามเอกสารแนบหนังสือรับรองนี้

ณ โรงงานผู้ผลิตที่ 695/1 หมู่ที่ 1 ถนนบ้านบึง-บ้านค่าย ตำบลคลองกิว อำเภอบ้านบึง จังหวัดชลบุรี  
20160

คณะกรรมการอิสลามประจำจังหวัดชลบุรี ตรวจสอบพิจารณาแล้วรับรองว่าการผลิต  
จำนวน ๕ รายการ (หรือรายการ) ทำการผลิตผลิตภัณฑ์ เพื่อจำหน่ายแก่ผู้บริโภคครบตามเงื่อนไขของการ  
รับรอง "ฮาลาล" และผู้ประกอบการขอให้สัญญาต่อคณะกรรมการอิสลามประจำจังหวัดชลบุรีว่าบริษัท  
ปฏิบัติตามระเบียบทุกข้อตอนอย่างเคร่งครัดต่อไป

หนังสือฉบับนี้ใช้ได้เฉพาะวันที่ระบุการรับรองฮาลาลเท่านั้นและมีผลบังคับใช้ตั้งแต่วันที่ 22 มิถุนายน พ.ศ. 2567 ถึงวันที่ 21 มิถุนายน พ.ศ. 2569  
ให้ไว้ ณ วันที่ 20 มิถุนายน พ.ศ. 2567

(นายสม ไซะฮอง)  
ประธานคณะกรรมการอิสลามประจำจังหวัดชลบุรี

คำเตือน  
1. ให้ติดประกาศหนังสือฉบับนี้ไว้ที่เปิดเผยเพื่อให้เห็น  
2. การขอหนังสือรับรองฉบับใหม่ต้องยื่นคำขอก่อนหนังสือฉบับนี้หมดอายุ 60 วัน

(ฝ่ายกิจการฮาลาล)

# Financial Highlight

(Unit : Baht)

| Summary Financial Information  | 2021          | 2022          | 2023          |
|--|---------------|---------------|---------------|
| Current assets   | 188,478,538   | 173,606,763   | 161,560,132   |
| Investment in associate  | 91,058,567    | 84,992,897    | 93,415,466    |
| Investment properties  | 96,076,375    | 95,211,441    | 94,367,722    |
| Properties, plant and equipment  | 1,171,908,593 | 1,165,901,507 | 1,221,599,547 |
| Bearer plants  | 32,038,198    | 28,635,391    | 22,017,427    |
| Total assets   | 1,585,295,925 | 1,572,410,136 | 1,616,192,343 |
| Current liabilities  | 129,361,522   | 111,828,243   | 91,672,813    |
| Long-term loan from financial institution,<br>net of current portion   | 29,077,647    | 4,705,882     | 17,060,000    |
| Employee benefit obligations   | 38,332,229    | 35,466,696    | 31,192,236    |
| Deferred tax liabilities   | 209,798,505   | 214,896,799   | 218,860,834   |
| Total liabilities  | 408,600,430   | 369,645,140   | 363,504,186   |
| 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  | 913,449,700   | 913,449,700   | 913,449,700   |
| Legal reserve  | 15,431,000    | 15,431,000    | 15,431,000    |
| Unappropriated (deficit)   | (54,096,365)  | (28,026,864)  | 21,896,297    |
| Total shareholders' equity   | 1,176,695,495 | 1,202,764,996 | 1,252,688,157 |
| Revenues from sales  | 622,077,808   | 734,783,641   | 731,648,202   |
| Other income   | 17,290,455    | 19,014,594    | 18,014,834    |
| Share profit from investment in associate                              | 4,821,653     | 7,733,191     | 16,606,898    |
| Profit (loss) before income tax expense (income)                       | 17,858,844    | 31,326,114    | 60,243,496    |
| Income tax expense (income)  | 8,572,876     | 5,098,294     | 9,157,272     |
| Profit (loss) for the year   | 9,285,968     | 26,227,820    | 51,086,224    |
| Change in revaluation of land  | 113,910,750   | -             | -             |
| Actuarial gain   | 1,320,373     | -             | (1,453,828)   |
| Income tax of items that will not be reclassified to<br>profit or loss | (23,046,225)  | 39,580        | 290,766       |
| Total comprehensive income (expense) for the year                      | 101,470,866   | 26,069,501    | 49,923,161    |
| Earnings (loss) per share  | 0.53          | 1.49          | 2.90          |

| <b>Financial Ratio</b>               | <b>Unit</b> | <b><u>2021</u></b> | <b><u>2022</u></b> | <b><u>2023</u></b> |
|--------------------------------------|-------------|--------------------|--------------------|--------------------|
| <b><u>Liquidity Ratio</u></b>        |             |                    |                    |                    |
| Current ratio                        | Times       | 1.5                | 1.5                | 1.8                |
| Quick ratio                          | Times       | 0.4                | 0.6                | 0.8                |
| Account Receivable Turnover          | Times       | 13.0               | 17.4               | 17.8               |
| Days Account Receivable Outstanding  | Days        | 27.7               | 20.7               | 20.2               |
| Inventory Turnover                   | Times       | 13.8               | 15                 | 18.5               |
| Days Inventory Outstanding           | Days        | 26.0               | 24.1               | 19.4               |
| Account Payable Turnover             | Times       | 7.3                | 7.2                | 7.6                |
| Days Account Payable Outstanding     | Days        | 49.1               | 50                 | 47.3               |
| Cash Cycle                           | Days        | 4.6                | (5.2)              | (7.6)              |
| <b><u>Profitability Ratio</u></b>    |             |                    |                    |                    |
| Gross Margin                         | %           | 13.8%              | 15.9%              | 19.5%              |
| Operating Profit                     | %           | (1.2%)             | 3.2%               | 6.0%               |
| Profit Margin on Sales               | %           | 1.4%               | 3.5%               | 7.0%               |
| Return on Equity                     | %           | 0.8%               | 2.2%               | 4.1%               |
| <b><u>Efficiency Ratio</u></b>       |             |                    |                    |                    |
| Return on Assets                     | %           | 1.37%              | 2.09%              | 3.83%              |
| Assets Turnover                      | Times       | 0.4                | 0.5                | 0.5                |
| <b><u>Financial Policy Ratio</u></b> |             |                    |                    |                    |
| Debt to Equity                       | Times       | 0.4                | 0.3                | 0.3                |
| Interest Converge                    | Times       | 6.7                | 19.8               | 55.2               |
| Dividend Payout                      | %           | -                  | -                  | -*                 |
| <b><u>Per Share</u></b>              |             |                    |                    |                    |
| Book Value                           | Baht        | 66.77              | 68.24              | 71.08              |
| Net Profit                           | Baht        | 0.53               | 1.49               | 2.90               |

\* to be approved at the Annual ordinary general meeting of shareholders no. 1/2024 to be held on 29 April 2024.

# 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 distributes both domestically and exports abroad such as Australia, Cambodia, Japan, United Kingdom, United States, etc., including indirect exports through domestic buyers. The export ratio to domestic market is equal to 57.5% : 42.5% in 2023.

#### *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*

##### **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 2types: 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**

|                            |  |
|----------------------------|--|
| <b>Company Name</b>        | Food and Drinks Public Company Limited   |
| <b>Registration Number</b> | 0107536001192  |
| <b>Business Type</b>       | Manufacture and distribute of food and beverages products for export and local markets |

#### **Registered Shares**

176,243,080 Baht

17,624,308 ordinary shares, Baht 10 per share (as at 31 December 2023)

#### **Shares issued and fully paid up**

176,243,080 Baht

17,624,308 ordinary shares, Baht 10 per share (as at 31 December 2023)

#### **Head Office**

695/1 Banbung – Bankai Rd., Klongkew, Banbung, Chonburi 20220

Tel : 0-3820-1219-21

Fax : 0-3820-1020

Homepage : [www.foodanddrinks.co.th](http://www.foodanddrinks.co.th)

#### **Bangkok Office**

15fl. Regent House Building, 183 Rajdamri Rd., Lumpini, Patumwan, Bangkok 10330

Tel : 0-2253-5232-3

Fax : 0-2070-0733



## Investor Relation

Ms. Huai Hui Lee

15fl. Regent House Building, 183 Rajdamri Rd., Lumpini, Patumwan, Bangkok 10330

Tel : 0-2253-5232-3

Fax : 0-2270-0733

Email : info@foodanddrinks.co.th

## Reference person

- Share Registration

Thailand Securities Depository Company Limited

93 Ratchadapisek Road Kwang Dindaeng, Khet Dindaeng, Bangkok 10400

Tel : 0-2009-9000 Fax : 0-2009-9991

- Auditor

Bunchikij Co., Ltd.

9th Floor 87 Modern Town Building Ekamai Soi 3, Sukhumvit 63 Road, Wattana, Bangkok 10110

Tel : 0-2382-0414 Fax : 0-2381-5849

- Legal Advisor

Legal Advisory Council Limited

16fl. Olympia Thai Tower 444 Ratchadapisek Road, Huay Kwang, Bangkok 10310

Tel : 0-2512-5938-40

## 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>2021</u>  |       | <u>2022</u>  |       | <u>2023</u>  |       |
|---------------------------------------|--------------|-------|--------------|-------|--------------|-------|
|                                       | Million Baht | %     | Million Baht | %     | Million Baht | %     |
| Export sales                          | 385.1        | 62.0  | 440.0        | 59.6  | 419.6        | 57.5  |
| Domestic sales                        | 236.3        | 38.0  | 297.8        | 40.4  | 310.4        | 42.5  |
| Total sales                           | 621.4        | 100.0 | 737.8        | 100.0 | 730.0        | 100.0 |
| Sharing profit (loss) from investment | 4.8          |       | 7.7          |       | 16.6         |       |

## **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 (32.2%) as the biggest market, and follow by countries in AEC (24.3%), European Union (21.6%), Japan (20.1%), the United States of America (1.7%) and others (0.1%).

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 2021 – 2023 by countries

(Unit : Million Baht)

| Country                  | 2021         | 2022         | 2023         |
|--------------------------|--------------|--------------|--------------|
| AEC countries            | 88.0         | 101.3        | 102.1        |
| Europe                   | 54.7         | 81.8         | 90.6         |
| Japan                    | 68.4         | 73.2         | 84.2         |
| Australia                | 139.7        | 148.9        | 135.1        |
| United States of America | 22.5         | 21.6         | 7.1          |
| Others                   | 11.8         | 13.2         | 0.5          |
| Domestic                 | 236.3        | 297.8        | 310.4        |
| Total                    | <u>621.4</u> | <u>737.8</u> | <u>730.0</u> |

#### 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 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 2021 - 2023

|                       | 2021         |              | 2022         |              | 2023         |              |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                       | Million Baht | %            | Million Baht | %            | Million Baht | %            |
| Raw material - Local  | 336.5        | 96.4         | 364.5        | 96.7         | 344.4        | 96.9         |
| Raw material – Import | 12.7         | 3.6          | 12.6         | 3.3          | 11.1         | 3.1          |
| <b>Total</b>          | <b>349.2</b> | <b>100.0</b> | <b>377.1</b> | <b>100.0</b> | <b>355.5</b> | <b>100.0</b> |

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

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

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

#### (4) Operating assets

The Company operating assets as follows:

| Assets    | Ownership | Pricing Policy           | Net book value       | Collateralised         |
|-----------|-----------|--------------------------|----------------------|------------------------|
| Land      | Own       | Fair value               | 1,067.0 Million Baht | Loan collateralized    |
| Building  | Own       | Cost deduct Depreciation | 70.1 Million Baht    | Partial collateralized |
| Machinery | Own       | Cost deduct Depreciation | 28.7 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 holds 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 has 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 2023

|    | Name of Shareholder                | Share     | %     | Director                                     |
|----|------------------------------------|-----------|-------|--|
| 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.                | 838,285   | 4.76  |  |
| 8  | Mrs. Chintana Asdornnithee         | 806,160   | 4.57  | Director                                     |
| 9  | Iamsakulrat Co., Ltd.              | 581,000   | 3.30  |  |
| 10 | Mr. Peerapol Prasertchaiyakul      | 512,300   | 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 176,243,080 and paid up capital of Baht 176,243,080 for total of 17,624,308 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 2023 is as follows:

| Description                            | No. of shares | Amount (Baht) | %      |
|--|---------------|---------------|--------|
| Registered capital                     | 17,624,308    | 176,243,080   |        |
| Paid up capital as at 31 December 2023 | 17,624,308    | 176,243,080   | 100.00 |
| - Top 10 Major shareholders            | 13,429,000    | 134,290,000   | 76.19  |
| - Other shareholders                   | 4,195,308     | 41,953,080    | 23.81  |

**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**

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                      | 2021 | 2022 | 2023 |
|---------------------------|------|------|------|
| Earnings per share (Baht) | 0.53 | 1.49 | 2.90 |
| Dividend per share        | -    | -    | -    |
| Dividend / Net profit (%) | 0.0  | 0.0  | 0.0* |

\* It will be approved at the Annual General Meeting of Shareholders No.1/2024 on April 29, 2024.



## 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***

Risk management policy and plan are an important part of a company that focuses on risk management to reduce risk and increase efficiency in business operations. Therefore, risk management policies and plans will include identify possible risks, risk assessment and manage risk to appropriate level according to the organization's goals and objectives.

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. Therefore, managements 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.
- Planning risk management in accordance with established risk management guidelines. After identifying and evaluating the likelihood of risks occurring The Company will plan risk management by identifying appropriate measures to reduce risks or deal with risks when they occur. The risk management plan will specify work methods and the participation of those involved. Including taking into account the costs involved and the benefits that will be gained from managing such risks.
- 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 Risks**

##### **(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 2023, the company had a proportional exports sales to domestic sale of 57.5% to 42.5%.

In 2023, the company improved its products development process to meet customers satisfaction. By surveying customer needs and satisfaction in existing products or services, along with finding marketing channels to develop new products, also communicate with customers to get suggestions and opinions about products. In addition, recruit more staffs in research and development department for planning and analyzing to deliver quality products that meet customer satisfaction.

#### (b) Procurement

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

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.

To control product quality and standards, The company operates giving importance to compliance with relevant legal standards. Therefore, we encourage employees to train on ISO (International Organization for Standardization), GHP (Good Hygiene Practices), and HACCP (Hazard Analysis Critical Control Points) standards so that employees understand and follow the standards correctly. and to ensure that the products produced are of high quality and safety according to specifications.

## **(2) Human Resource**

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.

In 2023, the company can continuously recruit replacement personnel. The organization supports compensation and benefits that are beneficial to employees. Whether it is adjusting the salary rate according to ability Annual bonus payment Providing a provident fund for employees in order to take care of them in the long term. Providing life, accident or health insurance for employees after probation is over. There is also an opportunity for employees to express their opinions. or complaints from operations through the channels specified by the company Whether it's a comment box Notifying supervisors and the human resources department Notification through the Employee Welfare Committee or notification via telephone This is to be able to solve the problem. and create satisfaction in work for employees.

## **(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**

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 data to evaluate surface water sources. By collecting information from government agencies that manages water sources to identify the characteristics of surface water sources The amount of water stored in the source Including collecting rainfall data from measuring stations over the past 5-10 years, including average annual rainfall. Maximum and minimum rainfall Information on water evaporation and events related to the quantity of water as well as the quality of surface water sources.
- 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.

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.

#### (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.

#### (c) Carbon Emission

The Risk Committee places importance on greenhouse gas emissions in the company's production processes. Therefore, a policy of carbon neutrality (Carbon Neutrality) by 2050 and a greenhouse gas emissions target (Net Zero Emissions) by 2065 have been established so that businesses can drive the organization along sustainable development guidelines.

#### (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 the first revision on February 14, 2024 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

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

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

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

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 has set up measures to monitor and review laws and regulations to follow change in laws and regulations continuously and regularly. The company will follow up on notifications of regulatory information that will change or emerge.

The company has contracts to carry out various ongoing projects, such as a contract to install a solar rooftop, a contract for a rubber tree planting project. eucalyptus trees and mango trees, with the company's legal advisor consider the contract. To analyze the risks involved in entering into contracts and risk assessment at each step of the contracting process. This is to ensure tighter contracting. However, contracting risk management is a process that requires careful planning and execution. To reduce risk and deal with situations that may occur appropriately.

### Risks on Business Operation and Emerging Risk

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

Risk of conflict between Russia and Ukraine, Western countries, Israel and Hamas affects to fuel and energy cost increase, also effect of inflation and increases in interest rates, which may indirectly affected to other production factors such as transportation costs and disruptions in the supply chain. The above events do not have a direct impact on the company.

Risk of conflict between Russia and Ukraine, Western countries, Israel and Hamas As a result, global oil and energy prices have increased significantly. Including inflation and increases in interest rates. This may indirectly affect other production factors such as transportation costs and disruptions in the supply chain. The above events do not have a direct impact on the company.

### 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***

Separate financial statements had a commulative loss of Baht 3.3 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 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 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. 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. This will make you know that each product is How much impact does it have on the environment? It is expressed in terms of the amount of carbon dioxide released. Which is an important type of greenhouse gas that causes global warming. If there is more than the natural system can maintain balance. The company has therefore announced a policy of carbon neutrality (Carbon Neutrality) by 2050 and a goal of greenhouse gas emissions (Net Zero Emissions) by 2065.

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.
- The CSR-DIW project is a promotion project. Join forces to create social responsibility for sustainable happiness (Corporate Social Responsibility, Department of Industrial Works: CSR-DIW) with the objective of promoting social responsibility operations and sustainable development (Sustainable Development) and supporting Carrying out business in collaboration with the community and being accepted by surrounding communities which will increase competitiveness and create sustainable growth for the business sector both within the country and internationally.
- Effective use of raw materials. By converting it into new products such as candied kaffir lime, tamarind juice, and lemongrass juice, which come from the production of main products. But the remaining raw materials can also be used for further benefit.

- Choosing natural products instead of using chemicals. In the wastewater treatment process using microorganisms that are suitable for the wastewater characteristics. Some species can degrade ammonia, nitrite, and nitrate, which are harmful to aquatic animals. Some types decompose sulfur compounds, helping to prevent and solve the problem of water that is black and smelly, and some types decompose organic substances such as fat (Grease and Oil), the main cause of hydrogen sulfide gas or hydrogen sulfide gas, to meet standard values. required by law
- Selection of chemical types for the cooling system. Taking into account the selection of refrigerants that are safe for both the cooling system and the environment and are not toxic to health.
- Selection of recycled materials. To support related industrial sectors.
- Zero Discharge Project to create sustainability in environmental management. Recycle resources to be reused with maximum efficiency. Reduce the amount of waste generated and manage water and wastewater within the company efficiently. Reusing wastewater after treatment to reduce emissions to zero.



## 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 by 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  |
|---|--|---|---|
|  | <ul style="list-style-type: none"> <li>• Channel for complain</li> <li>• Half year performance evaluation</li> <li>• Employee benefit checking by customer's auditor.</li> <li>• Group Line with factory manager</li> <li>• Set up welfare committee and monthly meetings between employees and welfare committees.</li> </ul> | <ul style="list-style-type: none"> <li>• Fair benefit for employee</li> <li>• Accessible benefit</li> </ul> | <ul style="list-style-type: none"> <li>• Bring complaints to the monthly Management Team meeting to draw conclusions and make corrections.</li> </ul> |
|  | <ul style="list-style-type: none"> <li>• Supplier evaluation form</li> <li>• Assess the functionality and quality of the product Quarterly.</li> <li>• Telephone</li> </ul>  | <ul style="list-style-type: none"> <li>• Stability of order and price</li> </ul>                            | <ul style="list-style-type: none"> <li>• Pre order material to meet production requirements.</li> </ul>   |

| Stakeholder   | Communication Activities   | Expectations and key issues  | Reaction  |
|---|--|--|---|
| <br>ลูกค้า                     | <ul style="list-style-type: none"> <li>• Telephone</li> <li>• Email</li> <li>• Set up meeting</li> <li>• Factory visits</li> </ul>   | <ul style="list-style-type: none"> <li>• Develop new product</li> </ul>                | <ul style="list-style-type: none"> <li>• Regularly develop product</li> <li>• Control production in accordance with regulatory standards</li> </ul>                     |
| <br>ชุมชน                      | <ul style="list-style-type: none"> <li>• Can be meet</li> </ul>  | <ul style="list-style-type: none"> <li>• No pollution disturbs</li> </ul>              | <ul style="list-style-type: none"> <li>• Establish a treatment system inspection plan every quarter</li> </ul>  |
| <br>เจ้าหน้าที่<br>(ธนาคาร)    | <ul style="list-style-type: none"> <li>• Email</li> <li>• Meeting with director</li> </ul>   | <ul style="list-style-type: none"> <li>• Abilities to re-pay debt</li> </ul>           | <ul style="list-style-type: none"> <li>• Plan annual sales and monthly follow up</li> <li>• Manage financial weekly</li> <li>• Exchange rate risk management</li> </ul> |
| <br>ผู้ถือหุ้นและ<br>นักลงทุน | <ul style="list-style-type: none"> <li>• Annual report 56-1 one report</li> <li>• Annual general meeting of shareholders</li> <li>• Email</li> <li>• Telephone</li> <li>• Company Website</li> </ul> | <ul style="list-style-type: none"> <li>• Good governance and company profit</li> </ul> | <ul style="list-style-type: none"> <li>• Annual earning target</li> <li>• half year review and revised target</li> </ul>  |

### 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. In addition, choosing to use natural products instead of using chemicals to manage the aerobic wastewater treatment system in order to bring wastewater back into the quality improvement process for reuse within the factory.

## Waste Management (Industrial Waste)

The company focuses on sustainable waste management from source to destination. Promote waste separation and waste management at the source. Until being able to create work and success can spread in various areas with the cooperation of the Department of Climate Change and Environment Local government organizations, communities, private companies and related agencies It reflects successes that can be extended to increase the efficiency of waste management at the source. It covers organic waste, recyclable waste, hazardous waste and general waste. There is separation of waste types. Clearly allocating storage areas, requesting permission and submitting annual reports to the Department of Industrial Works. Activities to promote and support the local project "Offering Recyclable Waste" including factors for the success of the operation which will lead to supporting sustainable waste management at the end of the day.

## 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.

Measuring air quality is one of the topics that the company gives importance to, which is divided into measuring air quality from the stack or from the source. Monitoring air pollution in the general atmosphere and measurement of air quality inside buildings or establishments The quality of the air affects the health of those working in the establishment. and surrounding communities Therefore, measurement and analysis of results are efficient and accurate. Therefore, it is an important principle that the company Adhere to standards in operating according to the standards announced by the Ministry of Industry. Whether it is the dust in the air carbon dioxide oxides of nitrogen and other toxic gases that is dangerous to health There are 3 types of air quality measurement: measuring air quality from a chimney or source. By checking whether there is dust, gas or heavy metal that exceeds the specified standards. Measuring indoor air quality to be within air quality standards in the workplace Does not affect the health of employees working and checking air pollution in the general atmosphere It is about taking care of the environment as a whole.

## Energy management

The company has realized the benefits of energy management. Efficient use of energy It is concrete and continuous. Therefore, there is a policy to implement energy management within the organization. Conforms to ministry announcements Requirements according to the Ministerial Regulations, Standards, Criteria, and Methods for Energy Management in Designated Factories and Designated Buildings, 2009. Energy management methods are followed step by step. Including an action plan Good and appropriate for the company in order to achieve its energy management goals. It can be divided into 8 steps as follows:

- (1) Appointment of a working group on energy management.
- (2) Preliminary assessment of energy management status.
- (3) Setting energy conservation policy.
- (4) Assessment of energy conservation potential.
- (5) Setting energy conservation goals and plans and training plans and activities to promote energy conservation.
- (6) Implementation of energy conservation plans and inspection and analysis of compliance with energy conservation goals and plans.
- (7) Monitoring and evaluating energy management.
- (8) Reviewing, analyzing and correcting shortcomings in energy management.

Moreover, the Company places importance on energy management throughout every step of operations and the value chain. The main strategy is Increase the proportion of using renewable energy/clean energy. And there is investment in technological innovation, machinery, changing forklifts that use oil and gas to electric, etc.

### 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. Including recording details of daily monitoring of the wastewater treatment system, collecting statistics and preparing detailed records. and report summarizing the performance of the monthly wastewater treatment system to the Subdistrict Administrative Organization.

#### Waste Management (Industrial Waste)

Organic waste is a problem for disposal. This is because they are often contaminated with other waste. especially recycled waste The reason is that there is no separation at the source. As a result, instead of recycling waste having value, it becomes zero. When everything ends up in landfills, it creates methane gas that affects the atmosphere. For the aforementioned reasons, the company Therefore sees the importance of organizing such problems. By the amount of waste generated within the company There is food waste with an average amount of 200 - 300 kilograms per day. Black Soldier Fly are therefore one of the tools that Food Loss Food Waste can use to eliminate "food waste" and create value.

In 2022, eliminating 14.23 tons of food waste (July–Dec. 2022) can reduce greenhouse gas emissions by 11.98 tCO<sub>2</sub>e.

In 2023, eliminate 29.28 tons of food waste (Jan.–Dec. 2023), able to reduce greenhouse gas emissions by 27.74 tCO<sub>2</sub>e.

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. Including used vegetable oil sent for biodiesel production to outside agencies that have received standard certification. Committed to reducing food waste from production as much as possible. By purchasing raw materials in appropriate quantities. Reduce plastic packaging by replacing it with paper or biodegradable materials. Reduce the use of stretch film to wrap pallets. Including reducing the use of stretch film to wrap products. Educate employees on how to properly separate waste to reduce waste from going to landfill. Forward the garbage that has already been separated. to be recycled According to the plan to enter the Circular Economy, manage garbage and waste using the 3R principles, cultivating awareness among employees and stakeholders. Campaign for garbage separation To bring back into the Recycle or Upcycle process to bring back to use for the most value. Ready for outside agencies that have received standard certification to convert waste into alternative energy. This is in line with the government's policy on BCG that focuses on making the most of biological resources. along with maintaining environmental balance and reducing impacts on the world sustainably By managing waste generated in 2023, the company has managed it according to the set goals. It can eliminate 30% of 490 tons of waste.

### 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 (CO<sub>2</sub>) 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 and measurement of air quality in all 3 forms, including measurement of air quality from a chimney or source By checking whether there is dust, gas or heavy metal that exceeds the specified standards every 6 months. Measurement of indoor air quality. to be within air quality standards in the workplace Does not affect the health of employees working and inspection of air pollution in the general atmosphere every year. in order to oversee the environment as a whole.

### 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.
- Using hot water from the boiler to wash tools and equipment to remove dirt. Instead of using a washing machine.

The Company has certified 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 TonCO<sub>2</sub>e in 2023.

In 2022, the Company has prepared greenhouse gas emission report in accordance with the requirements for calculating and reporting the carbon footprint of the organization by the Greenhouse Gas Management Organization (Public Organization).

Type 1 corporate greenhouse gas emission of 3,659 TonCO<sub>2</sub>e.

Type 2 corporate greenhouse gas emission of 3,380 TonCO<sub>2</sub>e.

Type 3 corporate greenhouse gas emission of 10,535 TonCO<sub>2</sub>e.

The Company target to improve the collection of greenhouse gas emissions data for 2023 to be clearer and more comprehensive. To assess greenhouse gas emissions in line with reality as much as possible and arrange for a plan to certify the greenhouse gas management management for the 2023 activity year as required by the Greenhouse Gas Management Organization. (Public Organization) certified in March 2024

#### ***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 2023 are as follows:

1. Support National Children's Day Activities.
2. Blood donation.
3. Supporting New Year's Day party activities Hua Kunchae Subdistrict Municipality.
4. Support National Labor Day.
5. Support printer Khlong Kiew Provincial Police Station.
6. Water hyacinth and weed eradication project in water sources.
7. Royal Kathina of Department of Labor Protection and Welfare.
8. Support the buffalo running tradition Ban Map Lam Bit Community.
9. 287 scholarships for schools in Banbung District, Chonburi Province.
10. 36 scholarships for children of employees.



## Management Discussion and Analysis : MID&A

Food and Drinks Public Company Limited operating result in 2023 compare to 2022 and Financial Statement as at 31 December 2023 compare to 2022 which has been audited and expressed an unqualified opinion 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 2023 posted a net profit amount of Baht 51.1 million compared to Baht 26.2 million in the previous year. Net profit ratio in 2023 is 6.8% (3.5% in 2022). The Company has profit per share at Baht 2.90 (in 2022: profit per share at Baht 1.49) and book value per share as at 31 December 2023 is equal to 71.08 Baht.

### **Statements of Comprehensive Income**

#### ***Revenue***

- Revenue from sale in Baht 731.6 million decreased by Baht 7.7 million or 1.0%. (2022 : Baht 739.3 million).
  - Export sales revenue is amounting of Baht 419.6 million which equals to 57.5% (2022 in the amount of Baht 439.9 million which was 59.6%) of total sales.
  - Domestic sales revenue is amounting of Baht 310.4 million which equals to 42.5% (2022 in the amount of Baht 297.8 million which was 40.4%) of total sales.
- Other income in 2023 is amounting of Baht 18.0 million mainly from rental and service which is the normal transaction (2022 has other income amounting of Baht 18.5 million).



### *Cost of Sales*

Cost of sales decrease amounting of Baht 32.9 million, Cost of sales ratio at 80.5% (2022 : at 84.1%) which result in gross profit of Baht 142.5 million increasing Baht 21.5 million.

### *Distribution Costs and Administrative Expense*

- Distribution cost increase amounting of Baht 6.4 million increase 15.6% related with domestic sales increasing. Distribution cost for year 2023 amounting of Baht 47.1 million (2022 : in the amount of Baht 40.8 million).
- Administrative expenses decrease amounting of Baht 1.1 million decrease 1.6% which Administrative expenses for year 2023 amounting of Baht 68.6 million (2022 : in the amount of Baht 69.7 million).

### *Financial Cost*

Finance cost amounting of Baht 1.1 million decrease by 33.2% (2022 Finance cost amounting of Baht 1.7 million) due to The Company repayment loan from financial institution within year 2023 amounting of Baht 40.6 million.

### *Income Tax Expense*

Corporate income tax increase from 2022 amounting of Baht 4.1 million or increase by 79.6% due to profit for the year 2023. Corporate income tax for year 2023 amounting of Baht 9.2 million (2022 Corporate income tax amounting of Baht 5.1 million).

## **Statement of Financial Position**

Statement of Financial Position as at 31 December 2023, The Company has total asset of Baht 1,616.2 million increased from last year by Baht 37.7 million, total liabilities in Baht 363.5 million decreased from last year by Baht 12.3 million and shareholders' equity of Baht 1,252.7 million increased from last year by Baht 49.9 million or 4.2%. The important changes in asset, liabilities and shareholders' equity are as follows:

### *Assets*

- Cash and cash equivalents increased by Baht 5.5 million, Trade receivable decreased by Baht 6.5 million, account receivable outstanding at 20.2 days. Inventory increased 18.3 million, Inventory outstanding at 19.4 days.
- Investment in associate as at 31 December 2023 amounting of Baht 93.4 million increase by Baht 8.4 million. The Company recorded profit sharing in joint-venture by equity method of Baht 16.6 million and received dividend from joint-venture in Baht 8.2 million.
- Property, plant and equipment increase by Baht 55.7 million from solar roof top project amounting of Baht 50.0 million.

### *Liabilities*

- Short-term loans from financial institutions decrease by Baht 21.5 million.
- Long-term loans from financial institutions increase by Baht 12.9 million.
- Trade and other current payables decrease by Baht 4.7 million. Account payable outstanding at 47.3 days.

### *Shareholder's equity*

Shareholder's equity increases from operation profit for year 2023 amounting of Baht 49.9 million.

### **Statements of cash flows**

Cash Flow Statement for the year ended 31 December 2023, The Company has cash and cash equivalent transaction net increased from 31 December 2022 in Baht 5.5 million by separate cash flow to each activity as follows:

#### *Cash flows from operating activities*

Cash flow from operating activity, net received Baht 81.3 million has significant transactions as follow:

|  |      |       |         |
|--|------|-------|---------|
| Operating cash flow                          | Baht | 58.2  | million |
| Trade and other receivable decrease by       | Baht | 5.9   | million |
| Inventories decrease by                      | Baht | 25.3  | million |
| Trade and other current payables decrease by | Baht | (3.0) | million |
| Provisions for employee benefits decrease by | Baht | (7.9) | million |

Cash flows from investing activities, net used Baht 64.1 million has significant transactions as follow:

|  |      |        |         |
|--|------|--------|---------|
| Dividend received from associate             | Baht | 8.2    | million |
| Acquisition of property, plant and equipment | Baht | (72.6) | million |

Cash flows from financing activities, net used Baht 11.8 million has significant transactions as follow:

|  |      |        |         |
|--|------|--------|---------|
| Bank overdrafts and short-term loans from financial institutions decrease by | Baht | (21.5) | million |
| Repayment of loan-term loan  | Baht | (29.4) | million |
| Proceeds from long-term loan   | Baht | 32.0   | 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 2023, company has liquidity ratio 1.8 time (2022 : 1.6 time) and Debt to Equity Ratio as at December 31, 2023 at 1.1 time (2022: 1.3 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.

## Other important information

### **1. Other important information**

#### **1.1 Other information that may significantly affect investors' decisions**

*None*

**1.2 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*

### **2. Legal disputes**

*None*

### **3. Secondary Market**

*None*

### **4. 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, meets standards and has business ethics, Aim to fairly treat all stakeholder groups. The Board of Directors has set standards regarding good corporate governance of the Company in writing, good governance, which covers the principles of good corporate governance in 5 categories under the regulations of the Stock Exchange of Thailand. Used as a guideline for the company's operations. The details are as follows:

### *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.

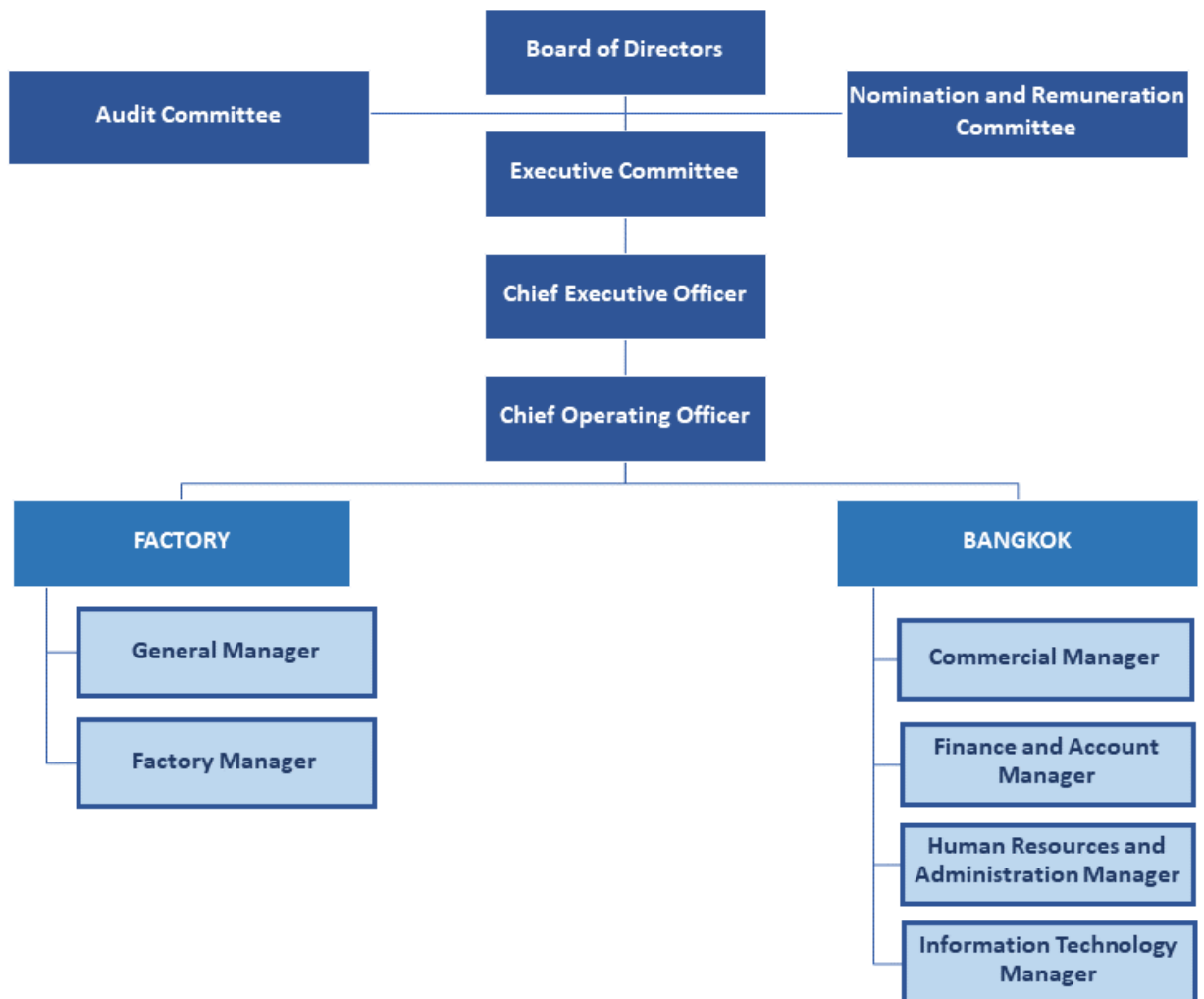
Also in the environmental section. The company is in the process of studying the BFS worm farming program to eliminate production waste instead of disposing of it. It is used as BSF worm feed and as a raw material for bio-compost. In the past, the company has used waste raw materials to compost organic 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 2023.

# 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                | Ms. Huai Hui Lee            |  | Chief Executive Officer/Director              |
| 3                | Mr. Kasem Deemaitree        |  | Executive Director                            |
| 4                | Mrs. Chintana Asdornnithee  |  | Executive 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     |  | Audit Committee/ Independent Director         |
| 11               | Mr. Sansern Nilrat          |  | Audit Committee/ Independent Director         |

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   |                             |          |                      |                |                      |                    |                |          |                             |                |          |                       |                |          |                     |
|--|---|-----------------------------|----------|----------------------|----------------|----------------------|--------------------|----------------|----------|-----------------------------|----------------|----------|-----------------------|----------------|----------|---------------------|
| Mr. Phirasilp Subhapholsiri (71 Years)<br>Independent Director | <p><b>Educational</b> : B.B.A., Yokohama National University</p> <p><b>Course</b> : DAP 40/2005</p> <p><b>Work Experience</b></p> <table> <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.         |          |                      |                |                      |                    |                |          |                             |                |          |                       |                |          |                     |

| Name - Surname Independent Director  | Profile  |
|--|--|
| <p><b>Ms. Chaovana Vivatpanachati</b> (63 Years)<br/>Independent Director<br/>Chairman Audit Committee</p> | <p><b>Educational</b> : Master of Accounting, Chulalongkorn University<br/>: Master of Management University of Wollongong, Australia<br/>: Diploma of Management, University of Newcastle, NSW, Australia,<br/>: Certificate in Accounting Audit Thammasart University<br/>: Bachelor of Accounting, Chulalongkorn University, 1983</p> <p><b>Professional</b></p> <p><b>License</b> : Certified Public Accountant approved by SEC<br/>: Cooperative auditor<br/>: Certified Public Accountant, Insurance Company<br/>: CPA AUSTRALIA (FCPA)<br/>: ASEAN CPA (ASEAN Charter Professional Accountant)</p> <p><b>Course</b> : DAP, DCP 58/2005, ACP<br/>: RCL 4/2016<br/>: IT Governance &amp; Cyber Resilience Program (ITG)<br/>: CRC 2/2019</p> <p><b>Work Experience</b></p> <p>2002 – Present Independent Director/ Chairman Audit Committee Food and Drinks PCL.</p> <p>2016 - Present Audit Committee S.C.I. Electric Manufacturing PCL.</p> <p>2022 - Present Audit Committee Nutrition Profess Co., Ltd.</p> <p>2019 - Present Audit Committee The Healthcare Accreditation Institute (Public Organization).</p> <p>2009 - Present Executive Director Moore DIA Sevi Ltd.</p> <p>1982 – Present Managing Director Office of Pitisevi Co., Ltd.</p> <p>Shareholding in The Company (%) - None -<br/>Family relationship between directors and executives - None -</p> |
| <p><b>Mr. Sumet Chey-O-Nanund</b> (81 Years)<br/>Independent Director<br/>Audit Committee</p>              | <p><b>Educational</b> : Bachelor of Business Administration Major Accounting<br/>Thammasart University</p> <p><b>Course</b> : DAP 2/2003</p> <p><b>Work Experience</b></p> <p>2002 – Present Independent Director/ Audit Committee Food and Drinks PCL.</p> <p>1996 – Present Freelance</p> <p>Shareholding in The Company (%) - None -<br/>Family relationship between directors and executives - None -</p>  |



| Name - Surname Independent Director   | Profile   |
|---|---|
| <b>Mr. Sansern Nilrat</b> (70 Years)<br>Independent Director<br>Audit Committee | <b>Educational</b> : Master of Business Administration Kasetsart University<br><b>Course</b> : DCP 4/2000, 5/2007<br>: ACP 21/2008<br><b>Work Experience</b><br>2009 - Present Independent Director/ Food and Drinks PCL.<br>Audit Committee<br>2024 The Disciplinary The Stock Exchange of Thailand<br>Sub-Committee<br>2015 - Present Qualified Director ASCO Training Institute<br>2014 - Present Qualified Director Federation of Thai Capital Market<br>Organizations<br>Shareholding in The Company (%) - None -<br>Family relationship between directors and executives - None - |

| Name-Surname Executive Directors   | Profile   |
|--|---|
| <b>Mr. Kasem Deemaitree</b> (89 Years)<br>Managing Director/<br>Authorized Director        | <b>Educational</b> : B.S. in Agricultural Chemistry, National Chung-Hsin University, Taiwan<br><b>Work Experience</b><br>1986 - Present Executive Director Food and Drinks PCL.<br>Shareholding in The Company (%) 18.74<br>Family relationship between directors and executives Father of Mr. Huai Hsin Lee and<br>Ms. Huai Hui Lee  |
| <b>Mrs. Chintana Asdornnithee</b> (85 Years)<br>Executive Director/<br>Authorized Director | <b>Educational</b> : High School St. Joseph Convent<br><b>Course</b> : DAP<br><b>Work Experience</b><br>1986 – Present Executive Director Food and Drinks PCL.<br>1990 – Present Deputy Managing Director Lampang Food Products Co., Ltd.<br>1995 – Present Deputy Managing Director Chiang Sean Food Products Co., Ltd.<br>Shareholding in The Company (%) 4.57<br>Family relationship between directors and executives - None - |
| <b>Ms. Huai Hui Lee</b> (61 Years)<br>Chief Operating Officer/<br>Authorized Director      | <b>Educational</b> : Master of Business Administration, George Washington University<br><b>Course</b> : DCP 19/2002<br><b>Work Experience</b><br>2013 – Present Chief Executive Officer/ Food and Drinks PCL.<br>Marketing Director<br>Shareholding in The Company (%) 11.52<br>Family relationship between directors and executives Daughter of Mr. Kasem Deemaitree and<br>Older Sister of Mr. Huai Hsin Lee                    |
| <b>Mr. Huai Hsin Lee</b> (57 Years)<br>Executive Director/<br>Authorized Director          | <b>Educational</b> : B.S. Mechanical Engineering, University of Maryland – College Park<br><b>Work Experience</b><br>2013 – Present Executive Director / Food and Drinks PCL.<br>Engineering & IT<br>Shareholding in The Company (%) 9.89<br>Family relationship between directors and executives Son of Mr. Kasem Deemaitree and<br>Brother of Ms. Huai Hui Lee  |

| Name-Surname Directors  | Profile   |
|---|---|
| <b>Mr. Aditep Nontratip</b> (59 Years)<br>Director<br>Authorized Director | <b>Educational</b> : Ph.D. Food Science Tokyo University of Fisheries<br>: Master of Business Administration Chulalongkorn University<br><b>Course</b> : DAP 80/2009<br><b>Work Experience</b><br>2009 – Present Director Food and Drinks PCL.<br>2003 – Present Director Kawasho Foods (Thailand) Co., Ltd.<br>Shareholding in The Company (%) - None -<br>Family relationship between directors and executives - None - |
| <b>Mr. Udom Karoonkornsakul</b> (89 Years)<br>Director                    | <b>Educational</b> : High School<br><b>Course</b> : DAP<br><b>Work Experience</b><br>1986 – Present Director Food and Drinks PCL.<br>2009 – Present Director Sahamitre Fish Meal Co., Ltd.<br>Shareholding in The Company (%) 2.7<br>Family relationship between directors and executives - None -  |
| <b>Mr. Chun-Nam Wong</b> (77 Years)<br>Director                           | <b>Educational</b> : High School Diploma Hong Kong<br><b>Work Experience</b><br>1994 – Present Director Food and Drinks PCL.<br>Investor<br>Shareholding in The Company (%) - None -<br>Family relationship between directors and executives - None -   |

### 2.3 The Responsibility of the Board of Directors

1. Manage the business in the best interest of the shareholders (Fiduciary Duty)
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.
3. Define core business policies financial policy, capital raising policy, capital management and risk management policy for management to implement.
4. Review the table of authority to appropriate with operation, condition and size of the business.
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.
6. Prepare general reporting and financial statements to shareholders and stakeholders correctly. Complete, transparent and compliant with the law.
7. Be informed of important audit reports and formulate improvements in case of material defects.
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.
9. Implement an efficient, adequate and appropriate internal control system which able to investigate irregularities and prevent fraud that may arise from transactions and business operations of the Company and its subsidiaries.
10. Monitor related party transactions or transactions that may have significant conflicts of interest, including fundraising of the Company and its subsidiaries.
11. Establish policies and procedures to deal with complaints or whistleblowing of inappropriate behavior within the Company, and appropriate whistleblower protection measures.
12. Set up the Chairman's responsibility.
13. 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 | Ms. Haui Hui     | Lee          | Chief Executive Officer/Director |
| 2 | Mr. Kasem        | Deemaitree   | Executive Director               |
| 3 | Mrs. Chintana    | Asdornnithee | Executive Director               |
| 4 | Mr. Huai Hsin    | Lee          | Executive Director               |

##### **The Responsibility of Executive Committee**

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

##### Audit committee

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

Remarks : Audit committee have accounting knowledge and experience in reviewing the Company's financial statements.

##### **The Responsibility of Audit Committee**

1. Review the Charter of Audit Committee at least once a year and consider making amendments to issues deemed necessary and appropriate.
2. 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.
3. Promote the company to have channels for receiving complaints or reporting inappropriate behavior. (Whistleblower) within the company that may occur, including implementing policies or procedures for dealing with complaints and protecting whistleblowers appropriately.
4. Select and propose The Company's auditors who have knowledge, ability and independent. According to the guidelines of the Securities and Exchange Commission, appointing and remunerating the company's auditors.

5. Ensure the accuracy, completeness and reliability of financial statements and that sufficient information is disclosed.
6. 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.
7. Follow up and find the cause from those involved. When irregularities are detected in the financial statements including reporting suspicious behavior of directors, managers or persons responsible for the company's operations to the SEC Office immediately upon notification from the auditor. and report the results of the audit to the SEC Office and the auditor within 30 days.
8. The Audit Committee can seek advice from independent external consultants if necessary, at the Company's expense.
9. Consider related 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.
10. Proceed and monitoring the use of fundraising funds correctly and appropriately.
11. Review the consistency of information in financial reports. financial status and operating results of the Company that has been communicated with investors or related persons.
12. Review the Company's compliance with the Securities and Exchange Act. Set requirements or laws relating to the Company's business
13. Report on the performance of the Audit Committee to the Board of Directors
14. Prepare the audit committee's report, disclosed in the Company's annual report, which must be signed by the Chairman of the Audit Committee
15. Perform other tasks as assigned by the Board of Directors and monitor the performance evaluations deemed important by the Audit Committee.

#### Risk Management Committee

|   | Name of Director |                 | Position  |
|---|------------------|-----------------|-----------|
| 1 | Ms. Hui Hui      | Lee             | Chairman  |
| 2 | Mr. Kasem        | Deemaitree      | Committee |
| 3 | Mrs. Chintana    | Asdornnithee    | Committee |
| 4 | Mr. Huai Hsin    | Lee             | Committee |
| 5 | Mr. Suchat       | Thipmontien     | Committee |
| 6 | Mr. Virat        | Apiwattanaphong | Committee |

#### 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, Compliance Risk and Emerging 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 2023 as follows:

| Name of Director |                            | Position                |
|------------------|----------------------------|-------------------------|
| 1                | Ms. Huai Hui Lee           | Chief Executive Officer |
| 2                | Mr. Kasem Deemaitree       | Executive Director      |
| 3                | Mrs. Chintana Asdornnithee | Executive Director      |
| 4                | Mr. Huai Hsin Lee          | Executive Director      |
| 5                | 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 2023, The Company paid Salary and bonus for 5 executives and managers are Baht 22.60 million.

#### **5. Employee Information**

Currently, The Company employs both Bangkok office and factory department 529 persons excluding executives. Every line of work is considered a main and important line of work. In addition to compensation for fair and legal wages. and the rate is comparable to the general labor market. and satisfaction of employees The company also provides welfare 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 2023, there are employees 534 persons. In 2023, the Company paid 110.55 million Baht consists of salaries, overtime, grants, living expenses, bonuses, and other employees, Social Security funds and provident fund contributions.

|           | Employee<br>(persons) | Amount<br>(Million Baht) |
|-----------|-----------------------|--------------------------|
| Executive | 5                     | 22.60                    |
| Employees | 529                   | 87.95                    |
| Total     | 534                   | 110.55                   |

## **6. Other Information**

### **6.1 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. |

### **6.2 List of Investor Relations Supervisors**

|                    |                  |
|--------------------|------------------|
| Investor Relations | Ms. Huai Hui Lee |
|--------------------|------------------|

### **6.3 Auditors' Remuneration**

Auditors' annual appointment and fixing their remuneration is approved at Annual Shareholders' Meeting. The names of auditors proposed and appointed are licensed according to the Stock Exchange of Thailand. In 2023, 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 56-1 One Report 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 1 - 6 may be assigned by the Board of Directors to make decisions on the operations of the company, parent company, subsidiaries, associated companies, same-level subsidiaries. or legal entities that may have conflicts The decision can be made in the form of 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 | Shareholders' Meeting |
|----|-----------------------------|-------------------|-----------------------|
| 1  | Mr. Phirasilp Subhapholsiri | 6/6               | 1/1                   |
| 2  | Ms. Huai Hui Lee            | 6/6               | 1/1                   |
| 3  | Mr. Kasem Deemaitree        | 6/6               | 1/1                   |
| 4  | Mrs. Chintana Asdornnithee  | 6/6               | 1/1                   |
| 5  | Mr. Huai Hsin Lee           | 6/6               | 1/1                   |
| 6  | Mr. Udom Karoonkornsakul    | 6/6               | 1/1                   |
| 7  | Mr. Aditep Nontratip        | 6/6               | 1/1                   |
| 8  | Mr. Chun-Nam Wong           | 3/6               | 1/1                   |
| 9  | Ms. Chaovana Vivatpanachati | 6/6               | 1/1                   |
| 10 | Mr. Sumet Chey-O-nanund     | 6/6               | 1/1                   |
| 11 | Mr. Sansern Nilrat          | 6/6               | 1/1                   |

The fixed remuneration of 11 directors for the year 2023 is Baht 1,340,000.00.

|    | Name of Director            | Position                          | Annual Remuneration | Meeting Allowance* |
|----|-----------------------------|-----------------------------------|---------------------|--------------------|
| 1  | Mr. Phirasilp Subhapholsiri | Chairman                          | 40,000              | 90,000             |
| 2  | Ms. Huai Hui Lee            | Chief Executive Officer /Director | 40,000              | 90,000             |
| 3  | Mr. Kasem Deemaitree        | Executive Director                | 40,000              | 90,000             |
| 4  | Mrs. Chintana Asdornmithee  | Executive Director                | 40,000              | 90,000             |
| 5  | Mr. Huai Hsin Lee           | Executive Director                | 40,000              | 90,000             |
| 6  | Mr. Udom Karoonkornsakul    | Director                          | 40,000              | 90,000             |
| 7  | Mr. Aditep Nontratip        | Director                          | 40,000              | 90,000             |
| 8  | Mr. Chun-Nam Wong           | Director                          | 40,000              | 30,000             |
| 9  | Ms. Chaovana Vivatpanachati | Independent Director              | 40,000              | 90,000             |
| 10 | Mr. Sumet Chey-O-nanund     | Independent Director              | 40,000              | 90,000             |
| 11 | Mr. Sansern Nilrat          | Independent Director              | 40,000              | 90,000             |

Remarks \* Pay based on actual attendance.

#### Attendance records of Audit Committee

|   | Name of Audit Committee     | Position                    | Meeting Attendance |
|---|-----------------------------|-----------------------------|--------------------|
| 1 | Ms. Chaovana Vivatpanachati | Chairman of Audit Committee | 5/5                |
| 2 | Mr. Sumet Chey-O-nanund     | Audit Committe              | 5/5                |
| 3 | Mr. Sansern Nilrat          | Audit Committe              | 5/5                |

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

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

Remarks \* Pay based on actual attendance.

## Attendance records of Nomination and Remuneration Committee

|   | Name of Committee       | Position  | Meeting Attendance |
|---|-------------------------|---|--------------------|
| 1 | Mr. Sansern Nilrat      | Chairman of Nomination and Remuneration Committee | 3/3                |
| 2 | Mr. Sumet Chey-O-nanund | Committee   | 3/3                |
| 3 | Mr. Huai Hsin Lee       | Committee   | 3/3                |

The remuneration of the nomination and remuneration committee for a total of 3 persons is 75,000 Baht as fixed compensation.

|   | Name of Committee       | Position  | Meeting Allowance * |
|---|-------------------------|---|---------------------|
| 1 | Mr. Sansern Nilrat      | Chairman of Nomination and Remuneration Committee | 30,000              |
| 2 | Mr. Sumet Chey-O-nanund | Committee   | 22,500              |
| 3 | Mr. Huai Hsin Lee       | Committee   | 22,500              |

Remarks \* Pay based on actual attendance.

### 1.3 Supervision of subsidiaries and associates

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

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 1st revised on February 14, 2024, 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 The Company will protect the person who report from any troubles.
- 3 The Company will not demote or punish the person who report, although it might cause The Company to lose business opportunities.
- 4 The 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***

In 2023, the Audit Committee held 5 meetings, with all 3 committees attending every meeting.

### ***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.

## **3. Summary of duties of other sub-committees**

### **Nomination and Remuneration Committee**

#### ***3.1 Number of meetings and attendance***

In 2023, Nomination and Remuneration Committee held 3 meetings, with all 3 committees attending every meeting.

#### ***3.2 Nomination and Remuneration Committee performance***

The Nomination and Remuneration Committee has conducted a 2023 charter review and regulations for The Company's early retirement.

## 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 2003. In 2023, internal audit team leader is Mr. Apinan Sripramoch (CPA# 5092) has been evaluation internal control regarding the internal control system Raw material procurement control system/general purchasing (except fresh raw materials) and payment of domestic creditors 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 Asdornnithee | Director | Hon Chuan FD Packaging Co., Ltd. |

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

| Name of entities / person           | Country of incorporation/ nationality | Relationships         | Nature of relationships   |
|-------------------------------------|---------------------------------------|-----------------------|---|
| Key management personnel            | Thai                                  | Related person        | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of The Company. |
| Hon Chuan FD Packaging 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  |               |
|--|---|---------------|
|  | <b>Financial statements in which the equity method is applied and separate financial statements</b> |               |
| <b>For the years ended 31 December</b>         | 2023  | 2022          |
| <b>Associate</b>                               |   |               |
| Rental income and other service charges        | 3,976   | 3,863         |
| Purchase of packaging and supplies             | 9,261   | 11,463        |
| <b>Other related company</b>                   |   |               |
| Sales of goods                                 | 28,721  | 16,241        |
| Purchase of raw materials                      | 1,338   | 715           |
| <b>Key management personnel</b>                |   |               |
| Short-term employee benefits                   | 18,498  | 19,505        |
| Post-employment benefits                       | 297   | 323           |
| <b>Total key management personnel benefits</b> | <b>18,795</b>   | <b>19,828</b> |

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

|                                 | Unit : Thousand Baht  |              |
|---------------------------------|---|--------------|
|                                 | <b>Financial statements in which the equity method is applied and separate financial statements</b> |              |
|                                 | 2023  | 2022         |
| <b>Trade receivable</b>         |   |              |
| Related party                   | 1,739   | -            |
| <b>Total</b>                    | <b>1,739</b>  | <b>-</b>     |
| <b>Other current receivable</b> |   |              |
| Associate                       | 342   | 333          |
| <b>Total</b>                    | <b>342</b>  | <b>333</b>   |
| <b>Trade payables</b>           |   |              |
| Associate                       | 1,681   | 2,021        |
| Related party                   | 287   | -            |
| <b>Total</b>                    | <b>1,968</b>  | <b>2,021</b> |

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

# Part 3 Financial Statement

## **FOOD AND DRINKS PUBLIC COMPANY LIMITED**

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

1 JANUARY 2023 TO 31 DECEMBER 2023



## **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 2023, 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 2023, 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><b>Inventories</b></p> <p>The estimation of the net realisable value of inventory, as disclosed in Notes 4 and 8 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the products' life cycle, the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventories.</p> | <p>The key audit procedures include :</p> <ul style="list-style-type: none"> <li>• Gaining an understanding of the basis applied in determining the provision for diminution in value of inventories and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.</li> <li>• Comparing the inventory holding periods and inventory movements in order to identify product lines with indicators of lower inventory turnover than normal level.</li> <li>• Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.</li> <li>• Comparing historical data of actual losses on sales and write-off of inventory during the years with the provision for diminution in value of inventory recorded at the preceding year-end.</li> </ul> |

***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

28 February 2024

## Food and Drinks Public Company Limited

## Statements of financial position

As at 31 December 2023

Unit : Baht

| Assets                              | Note | Financial statements              |                      |                               |                      |
|-------------------------------------|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|                                     |      | in which equity method is applied |                      | Separate financial statements |                      |
|                                     |      | 2023                              | 2022                 | 2023                          | 2022                 |
| <b>Current assets</b>               |      |                                   |                      |                               |                      |
| Cash and cash equivalents           | 6    | 15,509,532                        | 9,995,685            | 15,509,532                    | 9,995,685            |
| Trade and other current receivables | 7    | 40,314,183                        | 46,838,148           | 40,314,183                    | 46,838,148           |
| Inventories                         | 8    | 85,484,866                        | 103,830,831          | 85,484,866                    | 103,830,831          |
| Other current financial assets      | 9    | 1,753,188                         | 2,721,734            | 1,753,188                     | 2,721,734            |
| Other current assets                | 10   | 18,498,363                        | 10,220,365           | 18,498,363                    | 10,220,365           |
| <b>Total current assets</b>         |      | <b>161,560,132</b>                | <b>173,606,763</b>   | <b>161,560,132</b>            | <b>173,606,763</b>   |
| <b>Non-current assets</b>           |      |                                   |                      |                               |                      |
| Investment in associate             | 11   | 93,415,466                        | 84,992,897           | 68,202,710                    | 68,202,710           |
| Investment property                 | 12   | 94,367,723                        | 95,211,441           | 94,367,723                    | 95,211,441           |
| Property, plant and equipment       | 13   | 1,221,599,546                     | 1,165,901,507        | 1,221,599,546                 | 1,165,901,507        |
| Bearer plants                       | 14   | 22,017,427                        | 28,635,391           | 22,017,427                    | 28,635,391           |
| Right-of-use assets                 | 15   | 8,666,673                         | 11,505,641           | 8,666,673                     | 11,505,641           |
| Intangible assets                   | 16   | 143,886                           | 286,986              | 143,886                       | 286,986              |
| Other non-current assets            |      | 14,421,491                        | 18,395,822           | 14,421,491                    | 18,395,822           |
| <b>Total non-current assets</b>     |      | <b>1,454,632,212</b>              | <b>1,404,929,685</b> | <b>1,429,419,456</b>          | <b>1,388,139,498</b> |
| <b>Total assets</b>                 |      | <b>1,616,192,344</b>              | <b>1,578,536,448</b> | <b>1,590,979,588</b>          | <b>1,561,746,261</b> |

## Food and Drinks Public Company Limited

## Statements of financial position

As at 31 December 2023

Unit : Baht

| Liabilities and equity                       | Note | Financial statements              |                    |                               |                    |
|--|------|-----------------------------------|--------------------|-------------------------------|--------------------|
|  |      | in which equity method is applied |                    | Separate financial statements |                    |
|  |      | 2023                              | 2022               | 2023                          | 2022               |
| <b>Current liabilities</b>                   |      |                                   |                    |                               |                    |
| Short-term loans from financial institutions | 17   | -                                 | 21,500,000         | -                             | 21,500,000         |
| Trade and other current payables             | 18   | 73,576,910                        | 78,278,363         | 73,576,910                    | 78,278,363         |
| Current portion of long-term loans           |      |                                   |                    |                               |                    |
| from financial institutions                  | 19   | 9,960,000                         | 9,411,765          | 9,960,000                     | 9,411,765          |
| Current portion of lease liabilities         | 20   | 2,917,106                         | 2,798,965          | 2,917,106                     | 2,798,965          |
| Accrued corporate income tax                 |      | 4,232,697                         | -                  | 4,232,697                     | -                  |
| Other current liabilities                    |      | 986,100                           | 1,115,971          | 986,100                       | 1,115,971          |
| <b>Total current liabilities</b>             |      | <b>91,672,813</b>                 | <b>113,105,064</b> | <b>91,672,813</b>             | <b>113,105,064</b> |
| <b>Non-current liabilities</b>               |      |                                   |                    |                               |                    |
| Long-term loans from financial institutions  | 19   | 17,060,000                        | 4,705,882          | 17,060,000                    | 4,705,882          |
| Lease liabilities                            | 20   | 3,777,182                         | 6,672,201          | 3,777,182                     | 6,672,201          |
| Deferred tax liabilities                     | 26   | 218,860,835                       | 214,896,799        | 218,860,835                   | 214,896,799        |
| Non current provisions for employee benefits | 21   | 31,192,236                        | 35,466,696         | 31,192,236                    | 35,466,696         |
| Other non-current liabilities                |      | 941,120                           | 924,810            | 941,120                       | 924,810            |
| <b>Total non-current liabilities</b>         |      | <b>271,831,373</b>                | <b>262,666,388</b> | <b>271,831,373</b>            | <b>262,666,388</b> |
| <b>Total liabilities</b>                     |      | <b>363,504,186</b>                | <b>375,771,452</b> | <b>363,504,186</b>            | <b>375,771,452</b> |

## Food and Drinks Public Company Limited

## Statements of financial position

As at 31 December 2023

Unit : Baht

| Liabilities and equity                     | Note | Financial statements              |                      |                               |                      |
|--|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|  |      | in which equity method is applied |                      | Separate financial statements |                      |
|  |      | 2023                              | 2022                 | 2023                          | 2022                 |
| <b>Equity</b>                              |      |                                   |                      |                               |                      |
| 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)                   |      | 21,896,298                        | (28,026,864)         | (3,316,458)                   | (44,817,051)         |
| Other components of equity                 | 23   | 913,449,700                       | 913,449,700          | 913,449,700                   | 913,449,700          |
| <b>Total equity</b>                        |      | <b>1,252,688,158</b>              | <b>1,202,764,996</b> | <b>1,227,475,402</b>          | <b>1,185,974,809</b> |
| <b>Total liabilities and equity</b>        |      | <b>1,616,192,344</b>              | <b>1,578,536,448</b> | <b>1,590,979,588</b>          | <b>1,561,746,261</b> |



**Food and Drinks Public Company Limited**

**Statements of comprehensive income**

**For the year ended 31 December 2023**

Unit : Baht

|  | Note | Financial statements              |                    |                               |                    |
|--|------|-----------------------------------|--------------------|-------------------------------|--------------------|
|  |      | in which equity method is applied |                    | Separate financial statements |                    |
|  |      | 2023                              | 2022               | 2023                          | 2022               |
| <b>Revenues</b>  |      |                                   |                    |                               |                    |
| Revenues from sales  |      | 731,648,201                       | 739,300,041        | 731,648,201                   | 739,300,041        |
| Dividend income from associate   | 11   | -                                 | -                  | 8,184,329                     | 13,640,542         |
| Other income   |      | 18,014,834                        | 18,469,668         | 18,014,834                    | 18,469,668         |
| <b>Total revenues</b>  |      | <b>749,663,035</b>                | <b>757,769,709</b> | <b>757,847,364</b>            | <b>771,410,251</b> |
| <b>Expenses</b>  |      |                                   |                    |                               |                    |
| Costs of sales of goods  | 8    | 589,163,891                       | 622,044,123        | 589,163,891                   | 622,044,123        |
| Distribution costs   |      | 47,130,724                        | 40,763,524         | 47,130,724                    | 40,763,524         |
| Administrative expenses  |      | 68,619,858                        | 69,704,320         | 68,619,858                    | 69,704,320         |
| <b>Total expenses</b>  |      | <b>704,914,473</b>                | <b>732,511,967</b> | <b>704,914,473</b>            | <b>732,511,967</b> |
| <b>Profit from operating activities</b>  |      | <b>44,748,562</b>                 | <b>25,257,742</b>  | <b>52,932,891</b>             | <b>38,898,284</b>  |
| Finance costs  |      | (1,111,964)                       | (1,664,819)        | (1,111,964)                   | (1,664,819)        |
| Share of profit of associate accounted for using equity method                               | 11   | 16,606,898                        | 7,733,191          | -                             | -                  |
| <b>Profit before income tax expense</b>  |      | <b>60,243,496</b>                 | <b>31,326,114</b>  | <b>51,820,927</b>             | <b>37,233,465</b>  |
| Income tax expense   | 26   | 9,157,272                         | 5,098,294          | 9,157,272                     | 5,098,294          |
| <b>Profit for the years</b>  |      | <b>51,086,224</b>                 | <b>26,227,820</b>  | <b>42,663,655</b>             | <b>32,135,171</b>  |
| <b>Other comprehensive income for the year</b>   |      |                                   |                    |                               |                    |
| <b>Items that will not be reclassified subsequently to profit or loss</b>                    |      |                                   |                    |                               |                    |
| Loss on remeasurement of defined benefit plans   | 21   | (1,453,828)                       | -                  | (1,453,828)                   | -                  |
| 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   | 290,766                           | 39,580             | 290,766                       | -                  |
| <b>Total items that will not be reclassified subsequently to profit or loss</b>              |      | <b>(1,163,062)</b>                | <b>(158,319)</b>   | <b>(1,163,062)</b>            | <b>-</b>           |
| <b>Other comprehensive income (expense) for the year, net of income tax</b>                  |      | <b>(1,163,062)</b>                | <b>(158,319)</b>   | <b>(1,163,062)</b>            | <b>-</b>           |
| <b>Total comprehensive income for the year</b>   |      | <b>49,923,162</b>                 | <b>26,069,501</b>  | <b>41,500,593</b>             | <b>32,135,171</b>  |
| <b>Basic earnings per share (in Baht)</b>  | 28   | <b>2.90</b>                       | <b>1.49</b>        | <b>2.42</b>                   | <b>1.82</b>        |

## 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 2023

Unit : Baht

|   | Note | Issued and<br>paid - up<br>share capital | Share premium      | Retained earnings (deficits) |                     | Other components<br>of equity  | Total equity         |
|---|------|--|--------------------|------------------------------|---------------------|--------------------------------|----------------------|
|   |      |  |                    | Legal reserve                | Unappropriated      | Revaluation<br>surplus on land |                      |
| <b>Balance as at 1 January 2022</b>   |      | <b>176,243,080</b>                       | <b>125,668,080</b> | <b>15,431,000</b>            | <b>(54,096,365)</b> | <b>913,449,700</b>             | <b>1,176,695,495</b> |
| Total comprehensive income for the year   |      |  |                    |                              |                     |                                |                      |
| Profit for the year   |      | -  | -                  | -                            | 26,227,820          | -                              | 26,227,820           |
| Other comprehensive income (expense)  |      |  |                    |                              |                     |                                |                      |
| Share of other comprehensive income (expense)<br>of associate accounted for using equity method | 11   | -  | -                  | -                            | (158,319)           | -                              | (158,319)            |
| <b>Balance as at 31 December 2022</b>   |      | <b>176,243,080</b>                       | <b>125,668,080</b> | <b>15,431,000</b>            | <b>(28,026,864)</b> | <b>913,449,700</b>             | <b>1,202,764,996</b> |
| <b>Balance as at 1 January 2023</b>   |      | <b>176,243,080</b>                       | <b>125,668,080</b> | <b>15,431,000</b>            | <b>(28,026,864)</b> | <b>913,449,700</b>             | <b>1,202,764,996</b> |
| Total comprehensive income for the year   |      |  |                    |                              |                     |                                |                      |
| Profit for the year   |      | -  | -                  | -                            | 51,086,224          | -                              | 51,086,224           |
| Other comprehensive income (expense)  |      |  |                    |                              |                     |                                |                      |
| Loss on remeasurements of defined benefit plans   |      | -  | -                  | -                            | (1,163,062)         | -                              | (1,163,062)          |
| <b>Balance as at 31 December 2023</b>   |      | <b>176,243,080</b>                       | <b>125,668,080</b> | <b>15,431,000</b>            | <b>21,896,298</b>   | <b>913,449,700</b>             | <b>1,252,688,158</b> |

## Food and Drinks Public Company Limited

## Statement of changes in equity (Separate financial statements)

For the year ended 31 December 2023

Unit : Baht

|   | Issued and<br>paid - up<br>share capital | Share premium      | Retained earnings (deficits) |                     | Other components<br>of equity  | Total equity         |
|---|--|--------------------|------------------------------|---------------------|--------------------------------|----------------------|
|   |  |                    | Legal reserve                | Unappropriated      | Revaluation<br>surplus on land |                      |
| <b>Balance as at 1 January 2022</b>             | <b>176,243,080</b>                       | <b>125,668,080</b> | <b>15,431,000</b>            | <b>(76,952,222)</b> | <b>913,449,700</b>             | <b>1,153,839,638</b> |
| Total comprehensive income for the year         |  |                    |                              |                     |                                |                      |
| Profit for the year                             | -  | -                  | -                            | 32,135,171          | -                              | 32,135,171           |
| Other comprehensive income                      | -  | -                  | -                            | -                   | -                              | -                    |
| <b>Balance as at 31 December 2022</b>           | <b>176,243,080</b>                       | <b>125,668,080</b> | <b>15,431,000</b>            | <b>(44,817,051)</b> | <b>913,449,700</b>             | <b>1,185,974,809</b> |
| <b>Balance as at 1 January 2023</b>             | <b>176,243,080</b>                       | <b>125,668,080</b> | <b>15,431,000</b>            | <b>(44,817,051)</b> | <b>913,449,700</b>             | <b>1,185,974,809</b> |
| Total comprehensive income for the year         |  |                    |                              |                     |                                |                      |
| Profit for the year                             | -  | -                  | -                            | 42,663,655          | -                              | 42,663,655           |
| Other comprehensive income (expense)            |  |                    |                              |                     |                                |                      |
| Loss on remeasurements of defined benefit plans | -  | -                  | -                            | (1,163,062)         | -                              | (1,163,062)          |
| <b>Balance as at 31 December 2023</b>           | <b>176,243,080</b>                       | <b>125,668,080</b> | <b>15,431,000</b>            | <b>(3,316,458)</b>  | <b>913,449,700</b>             | <b>1,227,475,402</b> |

## Food and Drinks Public Company Limited

## Statements of cash flows

For the year ended 31 December 2023

Unit : Baht

|   | Financial statements              |                   |                               |                   |                   |
|---|-----------------------------------|-------------------|-------------------------------|-------------------|-------------------|
|   | in which equity method is applied |                   | Separate financial statements |                   |                   |
|   | Note                              | 2023              | 2022                          | 2023              | 2022              |
| <b>Cash flows from operating activities</b>                                   |                                   |                   |                               |                   |                   |
| Profit before income tax  |                                   | 60,243,496        | 31,326,114                    | 51,820,927        | 37,233,465        |
| <i>Adjustments to reconcile profit before tax to cash receipts (payments)</i> |                                   |                   |                               |                   |                   |
| Depreciation and amortisation   |                                   | 19,070,520        | 17,697,363                    | 19,070,520        | 17,697,363        |
| Expected credit loss  | 7                                 | 8,314             | 48,105                        | 8,314             | 48,105            |
| Reversal of loss on inventories devaluation                                   | 8                                 | (6,914,052)       | (1,700,291)                   | (6,914,052)       | (1,700,291)       |
| Gain on disposal of property, plant and equipment                             |                                   | (199,667)         | (444,618)                     | (199,667)         | (444,618)         |
| (Reversal of) loss from write-off of bearer plants                            |                                   | (301,096)         | 3,639,924                     | (301,096)         | 3,639,924         |
| Share of profit of associate accounted for using equity method                | 11                                | (16,606,898)      | (7,733,191)                   | -                 | -                 |
| Dividend income from associate  | 11                                | -                 | -                             | (8,184,329)       | (13,640,542)      |
| Long-term employee benefits expenses  | 21                                | 2,129,411         | 2,232,013                     | 2,129,411         | 2,232,013         |
| Unrealised loss on foreign exchange   |                                   | 540,400           | 484,946                       | 540,400           | 484,946           |
| Unrealised gain on fair value of derivatives                                  |                                   | (753,188)         | (1,721,734)                   | (753,188)         | (1,721,734)       |
| Interest income   |                                   | (95,077)          | (16,699)                      | (95,077)          | (16,699)          |
| Finance costs   |                                   | 1,111,964         | 1,664,819                     | 1,111,964         | 1,664,819         |
|   |                                   | 58,234,127        | 45,476,751                    | 58,234,127        | 45,476,751        |
| <i>Changes in operating assets and liabilities</i>                            |                                   |                   |                               |                   |                   |
| Trade and other current receivables   |                                   | 5,970,380         | (4,727,040)                   | 5,970,380         | (4,727,040)       |
| Inventories   |                                   | 25,260,017        | 19,767,851                    | 25,260,017        | 19,767,851        |
| Other current financial assets  |                                   | 1,721,734         | -                             | 1,721,734         | -                 |
| Other current assets  |                                   | (2,667,451)       | 597,613                       | (2,667,451)       | 597,613           |
| Other non-current assets  |                                   | 4,555,816         | (17,304,915)                  | 4,555,816         | (17,304,915)      |
| Trade and other current payables  |                                   | (2,996,029)       | (6,192,696)                   | (2,996,029)       | (6,192,696)       |
| Other current financial liabilities   |                                   | -                 | (1,133,940)                   | -                 | (1,133,940)       |
| Other current liabilities   |                                   | (129,871)         | (39,734)                      | (129,871)         | (39,734)          |
| Provisions for employee benefits  | 21                                | (7,857,700)       | (5,097,546)                   | (7,857,700)       | (5,097,546)       |
| Other non-current liabilities   |                                   | 16,310            | -                             | 16,310            | -                 |
| Net cash generated from operation   |                                   | 82,107,333        | 31,346,344                    | 82,107,333        | 31,346,344        |
| Interest paid   |                                   | (708,265)         | (1,490,952)                   | (708,265)         | (1,490,952)       |
| Cash received from withholding tax refunded                                   |                                   | 632,761           | 1,134,177                     | 632,761           | 1,134,177         |
| Income tax paid   |                                   | (669,775)         | (637,229)                     | (669,775)         | (637,229)         |
| <b>Net cash provided by operating activities</b>                              |                                   | <b>81,362,054</b> | <b>30,352,340</b>             | <b>81,362,054</b> | <b>30,352,340</b> |

## Food and Drinks Public Company Limited

## Statements of cash flows

For the year ended 31 December 2023

Unit : Baht

| Note   | Financial statements              |                     |                               |                     |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
|  | in which equity method is applied |                     | Separate financial statements |                     |
|  | 2023                              | 2022                | 2023                          | 2022                |
| <b>Cash flows from investing activities</b>                    |                                   |                     |                               |                     |
| Decrease in bank deposits used as collateral                   | -                                 | 901,330             | -                             | 901,330             |
| Dividend income from associate                                 | 8,184,329                         | 13,640,542          | 8,184,329                     | 13,640,542          |
| Proceeds from sale of property, plant and equipment            | 466,156                           | 446,000             | 466,156                       | 446,000             |
| Acquisition of property, plant and equipment                   | (72,591,120)                      | (7,570,693)         | (72,591,120)                  | (7,570,693)         |
| Increase in bearer plants                                      | (203,451)                         | (172,039)           | (203,451)                     | (172,039)           |
| Interest received  | 89,032                            | 18,836              | 89,032                        | 18,836              |
| <b>Net cash provided by (used in) investing activities</b>     | <b>(64,055,054)</b>               | <b>7,263,976</b>    | <b>(64,055,054)</b>           | <b>7,263,976</b>    |
| <b>Cash flows from financing activities</b>                    |                                   |                     |                               |                     |
| Decrease in short-term loans from financial institutions       | (21,500,000)                      | (7,700,000)         | (21,500,000)                  | (7,700,000)         |
| Proceeds from long-term loan                                   | 32,000,000                        | -                   | 32,000,000                    | -                   |
| Repayment of long-term loans                                   | (19,097,647)                      | (29,411,765)        | (19,097,647)                  | (29,411,765)        |
| Payment of lease liabilities                                   | (3,195,506)                       | (2,127,027)         | (3,195,506)                   | (2,127,027)         |
| <b>Net cash used in financing activities</b>                   | <b>(11,793,153)</b>               | <b>(39,238,792)</b> | <b>(11,793,153)</b>           | <b>(39,238,792)</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>    | <b>5,513,847</b>                  | <b>(1,622,476)</b>  | <b>5,513,847</b>              | <b>(1,622,476)</b>  |
| Cash and cash equivalents at beginning of years                | 9,995,685                         | 11,618,161          | 9,995,685                     | 11,618,161          |
| <b>Cash and cash equivalents at ending of years</b>            | <b>15,509,532</b>                 | <b>9,995,685</b>    | <b>15,509,532</b>             | <b>9,995,685</b>    |
| <b>Supplemental cash flows information:</b>                    |                                   |                     |                               |                     |
| Non-cash items   |                                   |                     |                               |                     |
| Increase in equipment from other payables                      | 506,906                           | 2,186,484           | 506,906                       | 2,186,484           |
| Increase in bearer plants from other payables                  | 203,451                           | 161,949             | 203,451                       | 161,949             |
| Increase in right-of-use assets from lease liabilities         | -                                 | 9,248,503           | -                             | 9,248,503           |
| Increase in equipment from transfer out of right-of-use assets | 262,350                           | -                   | 262,350                       | -                   |

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023****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 15<sup>th</sup> 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 2023****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 a number of revised Financial Reporting Standards by the Federation of Accounting Professions that have been effective for accounting periods beginning on or after 1 January 2023. 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 2024, which the Company have not adopted the above standards before the effective date.

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.

**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.

**Food and Drinks Public Company Limited**

**Notes to the financial statements**

**For the year ended 31 December 2023**

**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.

**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 |
|------------------------------------|--------------|

No depreciation is provided on land or assets under construction.



**Food and Drinks Public Company Limited**

**Notes to the financial statements**

**For the year ended 31 December 2023**

**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.

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 |
| Solar cell and other equipment           | 12-25 | 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.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023****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.

**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 |
|-------------------|---------|

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023****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.

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.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023**

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.

**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.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023**

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.

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.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023****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.

**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.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023**

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.

**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.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023**

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.

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.



**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023**

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:

**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.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023****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.

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.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023****5 Related parties**

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

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

| <b>Name of entities / person</b>          | <b>Country of incorporation/<br/>nationality</b> | <b>Nature of relationships</b>  |
|---|--|---|
| Key management personnel                  | Thai   | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company. |
| Hon Chuan FD Packaging<br>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   |

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

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

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023**

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

|  | Unit : Thousand Baht  |               |
|--|---|---------------|
|  | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statements</b> |               |
| <i>For the years ended 31 December</i>         | 2023  | 2022          |
| <b>Associate</b>                               |   |               |
| Rental income and other service charges        | 3,976   | 3,863         |
| Purchase of packaging and supplies             | 9,261   | 11,463        |
| <b>Other related company</b>                   |   |               |
| Sales of goods                                 | 28,721  | 16,241        |
| Purchase of raw materials                      | 1,338   | 715           |
| <b>Key management personnel</b>                |   |               |
| Short-term employee benefits                   | 18,498  | 19,505        |
| Post-employment benefits                       | 297   | 323           |
| <b>Total key management personnel benefits</b> | <b>18,795</b>   | <b>19,828</b> |

**Food and Drinks Public Company Limited**

**Notes to the financial statements**

**For the year ended 31 December 2023**

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

Unit : Thousand Baht

|   | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statements</b> |              |
|---|---|--------------|
|   | 2023  | 2022         |
| <b>Trade receivable</b> <i>(See Note 7)</i>         |   |              |
| Related party                                       | 1,739   | -            |
| <b>Total</b>  | <b>1,739</b>  | <b>-</b>     |
| <b>Other current receivable</b> <i>(See Note 7)</i> |   |              |
| Associate   | 342   | 333          |
| <b>Total</b>  | <b>342</b>  | <b>333</b>   |
| <b>Trade payables</b> <i>(See Note 18)</i>          |   |              |
| Associate   | 1,681   | 2,021        |
| Related party                                       | 287   | -            |
| <b>Total</b>  | <b>1,968</b>  | <b>2,021</b> |

**6 Cash and cash equivalents**

Unit : Thousand Baht

|                                  | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statements</b> |              |
|----------------------------------|---|--------------|
|                                  | 2023  | 2022         |
| Cash                             | 40  | 40           |
| Cash at banks - current accounts | 435   | 286          |
| Cash at banks - savings accounts | 15,034  | 9,670        |
| <b>Total</b>                     | <b>15,509</b>   | <b>9,996</b> |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 7 Trade and other current receivables

Unit : Thousand Baht

|  | Financial statements in which the equity method is applied and separate financial statements |               |
|--|--|---------------|
|  | 2023   | 2022          |
| <b>Trade receivables</b>                         |  |               |
| Related party                                    | 1,739  | -             |
| Other parties                                    | 37,299   | 44,834        |
| <b>Total</b>                                     | <b>39,038</b>  | <b>44,834</b> |
| Less allowance for expected credit loss          | (56)   | (48)          |
| <b>Net</b>                                       | <b>38,982</b>  | <b>44,786</b> |
| <b>Other current receivables</b>                 |  |               |
| Other receivable - related party                 | 342  | 333           |
| Other receivable - other parties                 | 761  | 1,240         |
| Advance payments                                 | -  | 77            |
| Accrued interest income                          | 8  | 2             |
| Prepaid expenses                                 | 221  | 400           |
| <b>Total</b>                                     | <b>1,332</b>   | <b>2,052</b>  |
| <b>Total trade and other current receivables</b> | <b>40,314</b>  | <b>46,838</b> |

Unit : Thousand Baht

|                                     | Financial statements in which the equity method is applied and separate financial statements |           |
|-------------------------------------|--|-----------|
|                                     | 2023   | 2022      |
| Expected credit losses for the year | 8  | 48        |
|                                     | <b>8</b>   | <b>48</b> |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

Aging analyses for trade accounts receivable are as follows:

Unit : Thousand Baht

|   | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statements</b> |               |
|---|---|---------------|
|   | 2023  | 2022          |
| <b>Related party</b>                    |   |               |
| Aged on the basis of due dates          |   |               |
| Overdue:                                |   |               |
| Less than 3 months                      | 1,739   | -             |
| <b>Net</b>                              | <b>1,739</b>  | <b>-</b>      |
| <br><b>Other parties</b>                |   |               |
| Aged on the basis of due dates          |   |               |
| Within credit terms                     | 24,626  | 30,930        |
| Overdue:                                |   |               |
| Less than 3 months                      | 11,891  | 13,579        |
| 3-6 months                              | 475   | 156           |
| 6-12 months                             | 307   | 121           |
| Over 12 months                          | -   | 48            |
| Total                                   | 37,299  | 44,834        |
| Less allowance for expected credit loss | (56)  | (48)          |
| <b>Net</b>                              | <b>37,243</b>   | <b>44,786</b> |
| <b>Trade receivables - net</b>          | <b>38,982</b>   | <b>44,786</b> |

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

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 8 Inventories

Unit : Thousand Baht

|  | Financial statements in which the equity method is applied and separate financial statements |                |
|--|--|----------------|
|  | 2023   | 2022           |
| Finished goods   | 30,040   | 33,364         |
| Raw materials  | 26,796   | 39,693         |
| Packaging and supplies   | 42,724   | 51,772         |
| Goods in transit   | 1,417  | 1,408          |
| <b>Total</b>   | <b>100,977</b>   | <b>126,237</b> |
| <i>Less allowance for diminution in value of inventories</i>             | (15,492)   | (22,406)       |
| <b>Net</b>   | <b>85,485</b>  | <b>103,831</b> |
|  | 2023   | 2022           |
| <i>Inventories recognised as an expense in 'cost of sales of goods':</i> |  |                |
| Cost   | 596,078  | 623,744        |
| Reversal of loss on inventories devaluation                              | (6,914)  | (1,700)        |
| <b>Net</b>   | <b>589,164</b>   | <b>622,044</b> |

## 9 Other current financial assets

Unit : Thousand Baht

|  | Financial statements in which the equity method is applied and separate financial statements |              |
|--|--|--------------|
|  | 2023   | 2022         |
| Fixed deposit                                | 1,000  | 1,000        |
| Forward contracts to sell foreign currencies | 753  | 1,722        |
| <b>Total</b>                                 | <b>1,753</b>   | <b>2,722</b> |



## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 10 Other current assets

Unit : Thousand Baht

|                         | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statements</b> |               |
|-------------------------|---|---------------|
|                         | 2023  | 2022          |
| Refundable purchase tax | 10,456  | 4,563         |
| Tax coupons             | 522   | 446           |
| Advance payment         | 6,646   | 3,680         |
| Withholding income tax  | 637   | 1,270         |
| Others                  | 237   | 261           |
| <b>Total</b>            | <b>18,498</b>   | <b>10,220</b> |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 11 Investment in associate

## 11.1 Details of associate

Unit : Thousand Baht

|   |   | Financial statements in which the equity method is applied<br>and separate financial statements |      |                 |         |               |               |               |               |                                 |               |
|---|---|---|------|-----------------|---------|---------------|---------------|---------------|---------------|---------------------------------|---------------|
| Name                                      | Type of business                            | Ownership<br>interest (%)   |      | Paid-up capital |         | Cost          |               | Equity        |               | Dividend income<br>for the year |               |
|   |   | 2023  | 2022 | 2023            | 2022    | 2023          | 2022          | 2023          | 2022          | 2023                            | 2022          |
| Hon Chuan FD Packaging<br>Company Limited | Manufacture of plastic<br>bottles and label | 35  | 35   | 194,865         | 194,865 | 68,203        | 68,203        | 93,415        | 84,993        | 8,184                           | 13,641        |
| <b>Total</b>                              |   |   |      |                 |         | <b>68,203</b> | <b>68,203</b> | <b>93,415</b> | <b>84,993</b> | <b>8,184</b>                    | <b>13,641</b> |

The associate was incorporated and operate in Thailand

**Food and Drinks Public Company Limited**

**Notes to the financial statements**

**For the year ended 31 December 2023**

Summary of financial information of the associate

Unit : Thousand Baht

Hon Chuan FD Packaging  
Company Limited

|   | 2023           | 2022           |
|---|----------------|----------------|
| Revenues  | 373,074        | 309,795        |
| Profit from continuing operations                           | 47,191         | 22,190         |
| Other comprehensive income (expense)                        | -              | (452)          |
| Current assets  | 231,457        | 206,509        |
| Non-current assets  | 78,638         | 80,648         |
| Current liabilities   | (34,595)       | (37,855)       |
| Non-current liabilities                                     | (8,640)        | (6,249)        |
| <b>Net assets</b>   | <b>266,860</b> | <b>243,053</b> |
| Shareholding percentage (%)                                 | 35             | 35             |
| Share of net assets   | 93,401         | 85,069         |
| Elimination entries   | 14             | (76)           |
| <b>Carrying amounts of associate based on equity method</b> | <b>93,415</b>  | <b>84,993</b>  |

11.2 Movements of investment in associate

Movement of Investment in associate during the years ended 31 December 2023 and 2022 are as follows:

Unit : Thousand Baht

|  | <b>Financial statements in</b> |               | <b>Separate</b>             |               |
|--|--------------------------------|---------------|-----------------------------|---------------|
|  | <b>which the equity method</b> |               | <b>financial statements</b> |               |
|  | <b>is applied</b>              |               | <b>financial statements</b> |               |
|  | 2023                           | 2022          | 2023                        | 2022          |
| At 1 January   | 84,993                         | 91,059        | 68,203                      | 68,203        |
| Share of profit from associate account for using equity method                               | 16,606                         | 7,733         | -                           | -             |
| Share of other comprehensive income (expense) of associate accounted for using equity method | -                              | (158)         | -                           | -             |
| Dividend income  | (8,184)                        | (13,641)      | -                           | -             |
| <b>At 31 December</b>  | <b>93,415</b>                  | <b>84,993</b> | <b>68,203</b>               | <b>68,203</b> |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 12 Investment properties

Unit : Thousand Baht

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

|                                  | Land   | Buildings | Building<br>improvement | Total  |
|----------------------------------|--------|-----------|-------------------------|--------|
| <i>Cost</i>                      |        |           |                         |        |
| As at 31 December 2022           | 93,949 | 117       | 4,221                   | 98,287 |
| As at 31 December 2023           | 93,949 | 117       | 4,221                   | 98,287 |
| <i>Accumulated depreciation</i>  |        |           |                         |        |
| As at 1 January 2022             | -      | 96        | 2,115                   | 2,211  |
| Depreciation charge for the year | -      | 21        | 844                     | 865    |
| As at 31 December 2022           | -      | 117       | 2,959                   | 3,076  |
| Depreciation charge for the year | -      | -         | 844                     | 844    |
| As at 31 December 2023           | -      | 117       | 3,803                   | 3,920  |
| <i>Net book value</i>            |        |           |                         |        |
| As at 31 December 2022           | 93,949 | -         | 1,262                   | 95,211 |
| As at 31 December 2023           | 93,949 | -         | 418                     | 94,367 |

The carrying amount of investment properties as at 31 December 2023 was amounting of Baht 94.08 million (2022 : Baht 94.32 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 income approach on an existing use basis by an independent appraise.

For the year ended 31 December 2023 investment properties contributed rental income which recognised in profit and loss of Baht 11.70 million. (2022: Baht 11.42 million)

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 13 Property, plant and equipment

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 | Solar cell and other equipment | Motor vehicles | Construction in progress | Total            |
|--------------------------------|------------------|----------------|----------------------|-------------------------|--|--------------------------------|----------------|--------------------------|------------------|
| <b>Cost / Revalued amount:</b> |                  |                |                      |                         |  |                                |                |                          |                  |
| As at 1 January 2022           | 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)          |
| <b>As at 31 December 2022</b>  | <b>1,066,962</b> | <b>131,387</b> | <b>217,791</b>       | <b>469,993</b>          | <b>15,607</b>                            | <b>-</b>                       | <b>6,869</b>   | <b>4,553</b>             | <b>1,913,162</b> |
| Additions                      | -                | -              | 9,495                | 7,507                   | 2,631                                    | 51,278                         | -              | -                        | 70,911           |
| Disposals                      | -                | (2,749)        | (872)                | (1,803)                 | (51)                                     | -                              | (1,227)        | -                        | (6,702)          |
| Transfer in (out)              | -                | -              | 4,553                | -                       | -  | -                              | 874            | (4,553)                  | 874              |
| <b>As at 31 December 2023</b>  | <b>1,066,962</b> | <b>128,638</b> | <b>230,967</b>       | <b>475,697</b>          | <b>18,187</b>                            | <b>51,278</b>                  | <b>6,516</b>   | <b>-</b>                 | <b>1,978,245</b> |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

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 | Solar cell and other equipment | Motor vehicles | Construction in progress | Total          |
|--|----------|----------------|----------------------|-------------------------|--|--------------------------------|----------------|--------------------------|----------------|
| <b><i>Accumulated depreciation</i></b> |          |                |                      |                         |  |                                |                |                          |                |
| As at 1 January 2022                   | -        | 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)        |
| <b>As at 31 December 2022</b>          | <b>-</b> | <b>119,727</b> | <b>162,808</b>       | <b>424,737</b>          | <b>13,995</b>                            | <b>-</b>                       | <b>5,157</b>   | <b>-</b>                 | <b>726,424</b> |
| Depreciation charge                    | -        | 3,476          | 4,962                | 5,249                   | 1,063                                    | 416                            | 43             | -                        | 15,209         |
| Disposals                              | -        | (2,564)        | (796)                | (1,799)                 | (51)                                     | -                              | (1,227)        | -                        | (6,437)        |
| Transfer in (out)                      | -        | -              | -                    | -                       | -  | -                              | 612            | -                        | 612            |
| <b>As at 31 December 2023</b>          | <b>-</b> | <b>120,639</b> | <b>166,974</b>       | <b>428,187</b>          | <b>15,007</b>                            | <b>416</b>                     | <b>4,585</b>   | <b>-</b>                 | <b>735,808</b> |
| <b><i>Allowance for impairment</i></b> |          |                |                      |                         |  |                                |                |                          |                |
| As at 31 December 2022                 | -        | -              | 1,937                | 18,847                  | 53                                       | -                              | -              | -                        | 20,837         |
| As at 31 December 2023                 | -        | -              | 1,937                | 18,847                  | 53                                       | -                              | -              | -                        | 20,837         |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

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 | Solar panels and other equipment | Motor vehicles | Construction in progress | Total     |
|------------------------|-----------|-----------|----------------------|-------------------------|--|----------------------------------|----------------|--------------------------|-----------|
| <i>Net book value</i>  |           |           |                      |                         |  |                                  |                |                          |           |
| As at 31 December 2022 | 1,066,962 | 11,660    | 53,046               | 26,409                  | 1,559                                    | -                                | 1,712          | 4,553                    | 1,165,901 |
| As at 31 December 2023 | 1,066,962 | 7,999     | 62,056               | 28,663                  | 3,127                                    | 50,862                           | 1,931          | -                        | 1,221,600 |

The gross carrying amount of any fully depreciated buildings and equipment that were still in use as at 31 December 2023 was amounted to Baht 560.24 million (2022 : Baht 555.32 million)

Certain plots of its land with constructions thereon and certain machinery, with book values as at 31 December 2023 amounting to approximately Baht 1,075.30 million (2022 : Baht 1,079.10 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 2023**

The Company arranged for an independent professional valuer to appraise the value of its land 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 2022          | 17,068             | 15,262        | 32,330        |
| Additions                     | -                  | 334           | 334           |
| Write-off                     | -                  | (3,640)       | (3,640)       |
| Transfer in (out)             | 157                | (157)         | -             |
| <b>As at 31 December 2022</b> | <b>17,225</b>      | <b>11,799</b> | <b>29,024</b> |
| Additions                     | -                  | 203           | 203           |
| Transfer in (out)             | 5,479              | (12,002)      | (6,523)       |
| <b>As at 31 December 2023</b> | <b>22,704</b>      | <b>-</b>      | <b>22,704</b> |
| <i>Amortisation</i>           |                    |               |               |
| As at 1 January 2022          | 292                | -             | 292           |
| Amortisation charge for year  | 97                 | -             | 97            |
| <b>As at 31 December 2022</b> | <b>389</b>         | <b>-</b>      | <b>389</b>    |
| Amortisation charge for year  | 298                | -             | 298           |
| <b>As at 31 December 2023</b> | <b>687</b>         | <b>-</b>      | <b>687</b>    |
| <i>Net book value</i>         |                    |               |               |
| <b>As at 31 December 2022</b> | <b>16,836</b>      | <b>11,799</b> | <b>28,635</b> |
| <b>As at 31 December 2023</b> | <b>22,017</b>      | <b>-</b>      | <b>22,017</b> |



## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 15 Right-of-use assets

Unit : Thousand Baht

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

|                               | Right of use assets |               |               |
|-------------------------------|---------------------|---------------|---------------|
|                               | Office building     |               |               |
|                               | space               | Vehicle       | Total         |
| <b>Cost</b>                   |                     |               |               |
| As at 1 January 2022          | 2,050               | 3,802         | 5,852         |
| Additions                     | 2,615               | 7,066         | 9,681         |
| Transfer out                  | (2,050)             | -             | (2,050)       |
| <b>As at 31 December 2022</b> | <b>2,615</b>        | <b>10,868</b> | <b>13,483</b> |
| Additions                     | -                   | -             | -             |
| Transfer out                  | -                   | (874)         | (874)         |
| <b>As at 31 December 2023</b> | <b>2,615</b>        | <b>9,994</b>  | <b>12,609</b> |
| <b>Amortisation</b>           |                     |               |               |
| As at 1 January 2022          | 1,822               | 717           | 2,539         |
| Amortisation charge for year  | 882                 | 607           | 1,489         |
| Transfer out                  | (2,050)             | -             | (2,050)       |
| <b>As at 31 December 2022</b> | <b>654</b>          | <b>1,324</b>  | <b>1,978</b>  |
| Amortisation charge for year  | 871                 | 1,705         | 2,576         |
| Transfer out                  | -                   | (612)         | (612)         |
| <b>As at 31 December 2023</b> | <b>1,525</b>        | <b>2,417</b>  | <b>3,942</b>  |
| <b>Net book value</b>         |                     |               |               |
| <b>As at 31 December 2022</b> | <b>1,961</b>        | <b>9,544</b>  | <b>11,505</b> |
| <b>As at 31 December 2023</b> | <b>1,090</b>        | <b>7,577</b>  | <b>8,667</b>  |

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023**

Expense relating to leases recognised in profit or loss for the years ended 31 December 2023 and 2022 are as follows:

|   | Unit : Thousand Baht  |       |
|---|---|-------|
|   | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statements</b> |       |
|   | 2023  | 2022  |
| Depreciation of right-of-use assets             | 2,576   | 1,489 |
| Interest on lease liabilities                   | 419   | 188   |
| Expenses relating to leases of low-value assets | 323   | 323   |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 16 Intangible assets

Unit : Thousand Baht  
**Financial statements in  
 which the equity method  
 is applied and separate  
 financial statements**

*Computer software**Cost*

As at 1 January 2022

10,291

Additions

-

**As at 31 December 2022****10,291**

Additions

-

**As at 31 December 2023****10,291***Amortisation*

As at 1 January 2022

9,861

Amortisation charge for year

143

**As at 31 December 2022****10,004**

Amortisation charge for year

143

**As at 31 December 2023****10,147***Net book value***As at 31 December 2022****287****As at 31 December 2023****144**

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 17 Short-term loans from financial institutions

Unit : Thousand Baht

|                  | Interest rate<br>(% per annum)          | Financial statements in which the<br>equity method is applied and<br>separate financial statements |               |
|------------------|---|--|---------------|
|                  |   | 2023   | 2022          |
| Promissory notes | 2.49% – 3.30%                           | -  | 21,500        |
|                  | and the rates based on<br>BIBOR + 1.75% |  |               |
| <b>Total</b>     |   | <b>-</b>   | <b>21,500</b> |

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

## 18 Trade and other current payables

Unit : Thousand Baht

|   | Financial statements in which the<br>equity method is applied and<br>separate financial statements |               |
|---|--|---------------|
|   | 2023   | 2022          |
| <b>Trade payables</b>                         |  |               |
| Associate                                     | 1,681  | 2,021         |
| Related party                                 | 287  | -             |
| Other parties                                 | 40,651   | 48,213        |
| <b>Total</b>                                  | <b>42,619</b>  | <b>50,234</b> |
| <b>Other current payables</b>                 |  |               |
| Other payables - Other parties                | 9,894  | 6,133         |
| Accrued expenses                              | 21,061   | 20,862        |
| Advance received                              | 3  | 1,049         |
| <b>Total</b>                                  | <b>30,958</b>  | <b>28,044</b> |
| <b>Total trade and other current payables</b> | <b>73,577</b>  | <b>78,278</b> |

**Food and Drinks Public Company Limited**

**Notes to the financial statements**

**For the year ended 31 December 2023**

**19 Long-term loans from financial institutions**

Unit : Thousand Baht

|  | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statements</b> |              |
|--|---|--------------|
|  | 2023  | 2022         |
| Long-term loans from financial institutions                                  | 27,020  | 14,118       |
| <i>Less</i> Current portion  | (9,960)   | (9,412)      |
| <b>Long-term loan from financial institution, net of<br/>current portion</b> | <b>17,060</b>   | <b>4,706</b> |

On 16 December 2022, the company entered into an agreement with a commercial bank in the amount of Baht 47 million. In 2023, the Company made its drawdown amounting to Baht 32 million for the installation of the solar rooftop. The loan bears interest at 2% per annum for the 1st - 2nd years and at prime rate - 2% per annum for the remaining years and shall be repaid monthly in 56 installments, commencing in July 2023.

On 10 May 2019, the Company entered into an agreement with a commercial bank 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 and fully paid in 2023.

Long-term loan is collateralised by certain plots of its land with constructions thereon and certain machinery as described in Note 13. The Company must be in compliance with the debt covenants and maintain the required financial ratios as stated in the agreements such as the debt to equity ratio, the debt convenance ratio etc.

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 20 Lease liabilities

Lease liabilities as at 31 December are summarized as follows:

Unit : Thousand Baht

|   | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statements</b> |              |
|---|---|--------------|
|   | 2023  | 2022         |
| Lease liabilities                                 | 7,263   | 10,458       |
| <i>Less</i> Deferred interest expenses            | (569)   | (987)        |
| <b>Total</b>                                      | <b>6,694</b>  | <b>9,471</b> |
| <i>Less</i> Current portion due within one year   | (2,917)   | (2,799)      |
| <b>Lease liabilities - net of current portion</b> | <b>3,777</b>  | <b>6,672</b> |

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

Unit : Thousand Baht

|  | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statements</b> |              |
|--|---|--------------|
|  | 2023  | 2022         |
| <b><i>Within one year</i></b>                      |   |              |
| Future minimum lease payments                      | 3,208   | 3,218        |
| <i>Less</i> Deferred interest                      | (291)   | (419)        |
| <b>Present value of minimum lease payments</b>     | <b>2,917</b>  | <b>2,799</b> |
| <b><i>After one year but within five years</i></b> |   |              |
| Future minimum lease payments                      | 4,055   | 7,240        |
| <i>Less</i> Deferred interest                      | (278)   | (568)        |
| <b>Present value of minimum lease payments</b>     | <b>3,777</b>  | <b>6,672</b> |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 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**

|                                       | 2023          | 2022          |
|---------------------------------------|---------------|---------------|
| Present value of unfunded obligations | <b>31,192</b> | <b>35,467</b> |

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**

|   | 2023          | 2022          |
|---|---------------|---------------|
| Defined benefit obligations at 1 January          | 35,467        | 38,332        |
| Actuarial loss                                    | 1,454         | -             |
| Current service costs                             | 1,714         | 1,798         |
| Interest on obligation                            | 415           | 434           |
| Benefit paid                                      | (7,858)       | (5,097)       |
| <b>Defined benefit obligations at 31 December</b> | <b>31,192</b> | <b>35,467</b> |

**Items recognised in profit or loss**

|                        |              |              |
|------------------------|--------------|--------------|
| Current service costs  | 1,714        | 1,798        |
| Interest on obligation | 415          | 434          |
| <b>Total</b>           | <b>2,129</b> | <b>2,232</b> |

**Items recognised in comprehensive income**

|                |              |          |
|----------------|--------------|----------|
| Actuarial loss | 1,454        | -        |
| <b>Total</b>   | <b>1,454</b> | <b>-</b> |

**Food and Drinks Public Company Limited**

**Notes to the financial statements**

**For the year ended 31 December 2023**

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

Unit : Thousand Baht

|                                     | <b>Financial statements in which the equity method is applied and separate financial statements</b> |              |
|-------------------------------------|---|--------------|
|                                     | 2023  | 2022         |
| Cost of sale                        | 1,522   | 1,540        |
| Selling and administrative expenses | 607   | 692          |
| <b>Total</b>                        | <b>2,129</b>  | <b>2,232</b> |

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

Unit : Thousand Baht

|  | <b>Financial statements in which the equity method is applied and separate financial statements</b> |          |
|--|---|----------|
|  | 2023  | 2022     |
| <i>For the years ended 31 December</i> |   |          |
| Demographic assumptions                | -   | -        |
| Financial assumptions                  | (1,436)   | -        |
| Experience adjustment                  | 2,890   | -        |
| <b>Total</b>                           | <b>1,454</b>  | <b>-</b> |

**Actuarial assumptions**

Principal actuarial assumptions at the end of the reporting period

|                        | <b>Financial statements in which the equity method is applied and separate financial statement</b> |              |
|------------------------|--|--------------|
|                        | 2023   | 2022         |
|                        | (%)  |              |
| Discount rate          | 2.65   | 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 2023**

*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   |         |
|------------------------|--|---------|
|                        | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statement</b> |         |
|                        | 2023   | 2022    |
|                        | <i>Increase (decrease)</i>   |         |
| Discount rate          |  |         |
| 1% increase            | (1,343)  | (1,479) |
| 1% decrease            | 1,509  | 1,663   |
| Salary increase rate   |  |         |
| 1% increase            | 1,473  | 1,894   |
| 1% decrease            | (1,339)  | (1,719) |
| Employee turnover rate |  |         |
| 20% increase           | (1,185)  | (1,547) |
| 20% decrease           | 1,363  | 1,794   |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

## 22 Share Capital

|  |    | <b>Financial statements in which the equity method<br/>is applied and separate financial statements</b> |                |               |                |
|--|----|---|----------------|---------------|----------------|
|  |    | 2023  |                | 2022          |                |
| Par                                    |    | Number  | Amount         | Number        | Amount         |
| Value                                  |    | of share  | baht           | of share      | baht           |
| <i>(in Baht)</i>                       |    | <i>(thousand shares/ Thousand Baht)</i>   |                |               |                |
| <b><i>Authorized Share Capital</i></b> |    |   |                |               |                |
| At 1 January                           |    |   |                |               |                |
| - ordinary shares                      | 10 | 17,624  | 176,243        | 17,624        | 176,243        |
| <b>At 31 December</b>                  |    |   |                |               |                |
| - ordinary shares                      |    | <b>17,624</b>   | <b>176,243</b> | <b>17,624</b> | <b>176,243</b> |
| <b><i>Issued and paid - up</i></b>     |    |   |                |               |                |
| At 1 January                           |    |   |                |               |                |
| - ordinary shares                      | 10 | 17,624  | 176,243        | 17,624        | 176,243        |
| <b>At 31 December</b>                  |    |   |                |               |                |
| - ordinary shares                      |    | <b>17,624</b>   | <b>176,243</b> | <b>17,624</b> | <b>176,243</b> |
| <b><i>Share premium</i></b>            |    |   |                |               |                |

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 2023****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 2023**

The segmental financial information of the Company for the year ended 31 December 2023 and 2022 are as follows:

Unit : Thousand Baht

**Financial statements in which the equity method is applied**

|  | Food and beverage |         | Products from<br>rubber trees |       | Total         |               |
|--|-------------------|---------|-------------------------------|-------|---------------|---------------|
|  | 2023              | 2022    | 2023                          | 2022  | 2023          | 2022          |
|  | Export sales      | 419,619 | 438,896                       | -     | -             | 419,619       |
| Domestic sales   | 310,399           | 298,879 | 1,630                         | 1,525 | 312,029       | 300,404       |
|  | 730,018           | 737,775 | 1,630                         | 1,525 | 731,648       | 739,300       |
| Other income   | -                 | -       | 1,614                         | 1,525 | 1,614         | 1,525         |
| Total revenues   | 730,018           | 737,775 | 3,244                         | 3,050 | 733,262       | 740,825       |
| Profit (loss) for reportable<br>segments                   | 28,657            | 8,732   | (309)                         | (419) | 28,348        | 8,313         |
| Unallocated other income                                   |                   |         |                               |       | 16,401        | 16,945        |
| Finance costs  |                   |         |                               |       | (1,112)       | (1,665)       |
| Share of profit of associate<br>accounted for using equity |                   |         |                               |       | 16,606        | 7,733         |
| Income tax expense   |                   |         |                               |       | (9,157)       | (5,098)       |
| <b>Profit for the year</b>                                 |                   |         |                               |       | <b>51,086</b> | <b>26,228</b> |

The following table presents segment assets of the Company as at 31 December 2023 and 2022 are as follows.

Unit : Thousand Baht

**Financial statements in which the equity method is applied**

|                             | Food and beverage                |         | Products from<br>rubber trees |         | Total            |                  |
|-----------------------------|----------------------------------|---------|-------------------------------|---------|------------------|------------------|
|                             | 2023                             | 2022    | 2023                          | 2022    | 2023             | 2022             |
|                             | Assets by reportable<br>segments | 345,249 | 370,119                       | 876,354 | 876,147          | 1,214,778        |
| Other unallocated<br>assets |                                  |         |                               |         | 401,414          | 332,270          |
| <b>Total assets</b>         |                                  |         |                               |         | <b>1,616,192</b> | <b>1,578,536</b> |

**Food and Drinks Public Company Limited**

**Notes to the financial statements**

**For the year ended 31 December 2023**

*Major customers*

The Company recognized revenues from sales of four major customers (income received from customers over 10% of total income) for the year ended 31 December 2023, amounting to Baht 428.82 million. (2022: sales of three major customers Baht 419.99 million).

**25 Expenses by nature**

Unit : Thousand Baht

|   | <b>Financial statements in which the equity method is applied and separate financial statements</b> |         |
|---|---|---------|
|   | 2023  | 2022    |
| Changes in inventories of finished goods        | 3,324   | 16,105  |
| Raw materials and consumables used              | 356,697   | 372,404 |
| Employee benefit expenses                       | 131,951   | 144,185 |
| Depreciation and amortisation                   | 19,070  | 17,697  |
| Advertising and promotion expenses              | 4,812   | 1,093   |
| Rental expenses from operating lease agreements | 1,028   | 3,409   |

**26 Income tax**

*Income tax recognised in profit or loss*

Unit : Thousand Baht

|   | <b>Financial statements in which equity method is applied</b> |              | <b>Separate financial statements</b> |              |
|---|---|--------------|--------------------------------------|--------------|
|   | 2023  | 2022         | 2023                                 | 2022         |
| <b>Current tax expense</b>                                    |   |              |                                      |              |
| Current year  | 4,902   | -            | 4,902                                | -            |
| <b>Deferred tax expense</b>                                   |   |              |                                      |              |
| Relating to origination and reversal of temporary differences | 4,255   | 5,098        | 4,255                                | 5,098        |
| <b>Income tax expenses</b>                                    | <b>9,157</b>  | <b>5,098</b> | <b>9,157</b>                         | <b>5,098</b> |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

*Income tax recognised the statements of other comprehensive income*

Unit : Thousand Baht

|  | Financial statements |           | Separate             |          |
|--|----------------------|-----------|----------------------|----------|
|  | in which equity      |           | financial statements |          |
|  | method is applied    |           |                      |          |
|  | 2023                 | 2022      | 2023                 | 2022     |
| Actuarial loss   | 291                  | -         | 291                  | -        |
| Share of other comprehensive expense<br>of associate accounted for using equity method | -                    | 39        | -                    | -        |
| <b>Total</b>   | <b>291</b>           | <b>39</b> | <b>291</b>           | <b>-</b> |

## Reconciliation of effective tax rate

Unit : Thousand Baht

|  | Financial statements in which equity method is applied |              |           |              |
|--|--|--------------|-----------|--------------|
|  | 2023   |              | 2022      |              |
|  | Rate   |              | Rate      |              |
|  | (%)  |              | (%)       |              |
| Profit before income tax expense               |  | 60,243       |           | 31,326       |
| Income tax using the Thai corporation tax rate | 20   | 12,049       | 20        | 6,265        |
| Effects of:                                    |  |              |           |              |
| Share of profit from investment in associate   |  | (3,321)      |           | (1,547)      |
| Items treated as exempted revenues             |  | (2,902)      |           | (1,429)      |
| Items not treated as expenses                  |  | 770          |           | 1,107        |
| Loss carry forward                             |  | (1,694)      |           | (4,396)      |
| Current tax expense                            |  | 4,902        |           | -            |
| Movement in Temporary differences              |  | 4,255        |           | 5,098        |
| <b>Income tax expenses</b>                     | <b>15</b>  | <b>9,157</b> | <b>16</b> | <b>5,098</b> |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

Unit : Thousand Baht

|  | Separate financial statements |              |             |              |
|--|-------------------------------|--------------|-------------|--------------|
|  | 2023                          |              | 2022        |              |
|  | Rate<br>(%)                   |              | Rate<br>(%) |              |
| Profit before income tax expense               |                               | 51,821       |             | 37,233       |
| Income tax using the Thai corporation tax rate | 20                            | 10,364       | 20          | 7,447        |
| Effects of:                                    |                               |              |             |              |
| Items treated as exempted revenues             |                               | (4,538)      |             | (4,158)      |
| Items not treated as expenses                  |                               | 770          |             | 1,107        |
| Loss carry forward                             |                               | (1,694)      |             | (4,396)      |
| Current tax expense                            |                               | 4,902        |             | -            |
| Movement in Temporary differences              |                               | 4,255        |             | 5,098        |
| <b>Income tax expenses</b>                     | <b>18</b>                     | <b>9,157</b> | <b>14</b>   | <b>5,098</b> |

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

Unit : Thousand Baht

|  | Financial statements in<br>which equity method<br>is applied |                | Separate<br>financial statements |                |
|--|--|----------------|----------------------------------|----------------|
|  | 2023   | 2022           | 2023                             | 2022           |
|  | <b>Deferred tax assets</b>                                   |                |                                  |                |
| Allowance for impairment loss on trade account receivables | 11   | 10             | 11                               | 10             |
| Allowance for diminution in value of inventories           | 3,098  | 4,481          | 3,098                            | 4,481          |
| Allowance for impairment loss on assets                    | 122  | 187            | 122                              | 187            |
| Provision for long-term employee benefits                  | 6,239  | 7,094          | 6,239                            | 7,094          |
| Unused tax loss  | -  | 1,694          | -                                | 1,694          |
| Lease liabilities  | 1,186  | 1,611          | 1,186                            | 1,611          |
| <b>Total</b>   | <b>10,656</b>  | <b>15,077</b>  | <b>10,656</b>                    | <b>15,077</b>  |
| <b>Deferred tax liability</b>                              |  |                |                                  |                |
| Revaluation surplus on land                                | 228,362  | 228,362        | 228,362                          | 228,362        |
| Right-of-use assets  | 1,155  | 1,612          | 1,155                            | 1,612          |
| <b>Total</b>   | <b>229,517</b>   | <b>229,974</b> | <b>229,517</b>                   | <b>229,974</b> |
| <b>Deferred tax liabilities - net</b>                      | <b>218,861</b>   | <b>214,897</b> | <b>218,861</b>                   | <b>214,897</b> |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

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

Unit : Thousand Baht

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

|  | (Charged) / Credited to: |                |                         | (Charged) / Credited to: |                   |                |                         |                     |
|--|--------------------------|----------------|-------------------------|--------------------------|-------------------|----------------|-------------------------|---------------------|
|  |                          |                | Other                   |                          |                   | Other          |                         |                     |
|  | 1 January<br>2022        | Profit or loss | comprehensive<br>income | 31 December<br>2022      | 1 January<br>2023 | Profit or loss | comprehensive<br>income | 31 December<br>2023 |
| <b>Deferred tax assets</b>                                 |                          |                |                         |                          |                   |                |                         |                     |
| Allowance for impairment loss on trade account receivables | -                        | 10             | -                       | 10                       | 10                | 1              | -                       | 11                  |
| Allowance for diminution in value of inventories           | 4,821                    | (340)          | -                       | 4,481                    | 4,481             | (1,383)        | -                       | 3,098               |
| Allowance for impairment loss on assets                    | 467                      | (280)          | -                       | 187                      | 187               | (65)           | -                       | 122                 |
| Provision for long-term employee benefits                  | 7,666                    | (572)          | -                       | 7,094                    | 7,094             | (1,146)        | 291                     | 6,239               |
| Unused tax loss  | 5,600                    | (3,906)        | -                       | 1,694                    | 1,694             | (1,694)        | -                       | -                   |
| Lease liabilities  | 37                       | 1,574          | -                       | 1,611                    | 1,611             | (425)          | -                       | 1,186               |
| <b>Total</b>   | <b>18,591</b>            | <b>(3,514)</b> | <b>-</b>                | <b>15,077</b>            | <b>15,077</b>     | <b>(4,712)</b> | <b>291</b>              | <b>10,656</b>       |
| <b>Deferred tax liability</b>                              |                          |                |                         |                          |                   |                |                         |                     |
| Revaluation surplus on land                                | 228,362                  | -              | -                       | 228,362                  | 228,362           | -              | -                       | 228,362             |
| Right-of-use assets  | 28                       | 1,584          | -                       | 1,612                    | 1,612             | (457)          | -                       | 1,155               |
| <b>Total</b>   | <b>228,390</b>           | <b>1,584</b>   | <b>-</b>                | <b>229,974</b>           | <b>229,974</b>    | <b>(457)</b>   | <b>-</b>                | <b>229,517</b>      |
| <b>Deferred tax liabilities - net</b>                      | <b>209,799</b>           | <b>(5,098)</b> | <b>-</b>                | <b>214,897</b>           | <b>214,897</b>    | <b>(4,255)</b> | <b>291</b>              | <b>218,861</b>      |



**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023****27 Promotional privileges**

The Company has been granted promotional certificates by the Office of the Board of Investment relating to the manufacture or preservation of food, beverages, food additives, food ingredients or dietary supplement products using modern technology. The Company has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates No. 66-0884-2-04-1-0, dated 4 July 2023.

**28 Earnings per share**

The calculation of basic earnings per share for each of the year ended 31 December 2023 and 2022 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

|  | <b>Financial statement in which</b> |               | <b>Separate</b>             |               |
|--|-------------------------------------|---------------|-----------------------------|---------------|
|  | <b>equity method is applied</b>     |               | <b>financial statements</b> |               |
|  | <u>2023</u>                         | <u>2022</u>   | <u>2023</u>                 | <u>2022</u>   |
| <b>Profit attributable to ordinary</b>       |                                     |               |                             |               |
| <b>shareholders of the Company</b>           | <u>51,086</u>                       | <u>26,228</u> | <u>42,664</u>               | <u>32,135</u> |
| <b>Number of ordinary shares outstanding</b> | <u>17,624</u>                       | <u>17,624</u> | <u>17,624</u>               | <u>17,624</u> |
| <b>Earnings per share (basic) (in Baht)</b>  | <u>2.90</u>                         | <u>1.49</u>   | <u>2.42</u>                 | <u>1.82</u>   |

**29 Financial instruments***29.1 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.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023**

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

Unit : Thousand Baht

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

|                              | Fair value |         |         |       |
|------------------------------|------------|---------|---------|-------|
|                              | Level 1    | Level 2 | Level 3 | Total |
| <b>31 December 2023</b>      |            |         |         |       |
| <b>Financial liabilities</b> |            |         |         |       |
| Forward exchange contracts   | -          | 753     | -       | 753   |
| <b>31 December 2022</b>      |            |         |         |       |
| <b>Financial liabilities</b> |            |         |         |       |
| Forward exchange contracts   | -          | 1,722   | -       | 1,722 |

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.

*29.2 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's 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's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023***Credit risk*

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

*Trade account receivable*

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

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

Unit : Thousand Baht

|  | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statement</b> |                                       |
|--|--|---------------------------------------|
|  | Trade accounts<br>receivables  | Allowance for<br>expected credit loss |
| <b><i>As at 31 December 2023</i></b>           |  |                                       |
| Within credit terms                            | 24,626   | 3                                     |
| Overdue:                                       |  |                                       |
| 1-30 days                                      | 9,240  | 3                                     |
| 31-60 days                                     | 3,654  | 16                                    |
| 61-90 days                                     | 736  | 16                                    |
| More than 90 days                              | 782  | 18                                    |
| <b>Total</b>                                   | <b>39,038</b>  | <b>56</b>                             |
| <i>Less</i> allowance for expected credit loss | (56)   |                                       |
| <b>Net</b>                                     | <b>38,982</b>  |                                       |

## Food and Drinks Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2023

Unit : Thousand Baht

|  | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statement</b> |                                       |
|--|--|---------------------------------------|
|  | Trade accounts<br>receivables  | Allowance for<br>expected credit loss |
| <i>As at 31 December 2022</i>                  |  |                                       |
| 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                                    |
| <b>Total</b>                                   | <b>44,834</b>  | <b>48</b>                             |
| <i>Less</i> allowance for expected credit loss | <b>(48)</b>  |                                       |
| <b>Net</b>                                     | <b>44,786</b>  |                                       |

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

Unit : Thousand Baht

|                       | <b>Financial statements in which the<br/>equity method is applied and<br/>separate financial statement</b> |           |
|-----------------------|--|-----------|
|                       | 2023   | 2022      |
| At 1 January          | 48   | -         |
| Addition              | 56   | 48        |
| Reversal              | (48)   | -         |
| <b>At 31 December</b> | <b>56</b>  | <b>48</b> |

*Cash and cash equivalent and derivatives*

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

*Liquidity risk*

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

**Food and Drinks Public Company Limited**

**Notes to the financial statements**

**For the year ended 31 December 2023**

As at 31 December 2023, 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

|  | <b>Financial statements in which the equity method is applied<br/>and separate financial statement</b> |                       |  |                      |                |
|--|--|-----------------------|--|----------------------|----------------|
|  | Carrying<br>amount   | Contractual cash flow |  |                      | Total          |
|  |  | 1 year<br>or less     | More than 1<br>year but less<br>than 5 years | More than 5<br>years |                |
| <b><i>As at 31 December 2023</i></b>               |  |                       |  |                      |                |
| <b><i>Non-derivative financial liabilities</i></b> |  |                       |  |                      |                |
| Trade and other current payables                   | 73,577   | 73,577                | -  | -                    | 73,577         |
| Long term loans from financial institutions        | 27,020   | 9,960                 | 17,060                                       | -                    | 27,020         |
| Lease liabilities                                  | 6,694  | 2,917                 | 3,777  | -                    | 6,694          |
|  | <b>107,291</b>   | <b>86,454</b>         | <b>20,837</b>                                | <b>-</b>             | <b>107,291</b> |

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

|  | <b>Financial statements in which the equity method is applied<br/>and separate financial statement</b> |                       |  |                      |                |
|--|--|-----------------------|--|----------------------|----------------|
|  | Carrying<br>amount   | Contractual cash flow |  |                      | Total          |
|  |  | 1 year<br>or less     | More than 1<br>year but less<br>than 5 years | More than 5<br>years |                |
| <b><i>As at 31 December 2022</i></b>               |  |                       |  |                      |                |
| <b><i>Non-derivative financial liabilities</i></b> |  |                       |  |                      |                |
| Short term loans from financial institutions       | 21,500   | 21,500                | -  | -                    | 21,500         |
| Trade and other current payables                   | 78,278   | 78,278                | -  | -                    | 78,278         |
| Long term loans from financial institutions        | 14,118   | 9,412                 | 4,706  | -                    | 14,118         |
| Lease liabilities                                  | 9,471  | 2,799                 | 6,672  | -                    | 9,471          |
|  | <b>123,367</b>   | <b>111,989</b>        | <b>11,378</b>                                | <b>-</b>             | <b>123,367</b> |

*Market risk*

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

**Food and Drinks Public Company Limited**

**Notes to the financial statements**

**For the year ended 31 December 2023**

*Foreign currency risk*

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

Financial assets and liabilities denominated in foreign currencies and forward exchange contracts with maturities of less than one year as follows:

|                                   | <b>Financial statements in which the equity method is applied<br/>and separate financial statements</b> |       |   |         |
|-----------------------------------|---|-------|---|---------|
|                                   | 2023  | 2022  | 2023                                      | 2022    |
|                                   | <i>(Thousand)</i>   |       | <i>(Baht per 1 foreign currency unit)</i> |         |
|                                   | Exchange rates  |       |   |         |
| <b>Financial assets</b>           |   |       |   |         |
| US dollar                         | 523   | 562   | 34.0590                                   | 34.3913 |
| <b>Financial liabilities</b>      |   |       |   |         |
| US dollar                         | 18  | 13    | 34.3876                                   | 34.7335 |
| EUR                               | -   | 68    | -   | 37.2053 |
| <b>Forward exchange contracts</b> |   |       |   |         |
| US dollar                         | 594   | 1,029 | 34.2233                                   | 34.5624 |

Unit : Thousand Baht

|  | <b>Financial statements in which the equity method<br/>is applied and separate financial statements</b> |               |
|--|---|---------------|
|  | 2023  | 2022          |
| <b>As at 31 December</b>                 |   |               |
| <b>Exposure to foreign currency</b>      |   |               |
| <b>US dollar</b>                         |   |               |
| Cash and cash equivalents                | 13  | 13            |
| Trade and other current receivables      | 17,811  | 19,318        |
| Trade and other current payables         | 618   | 464           |
| <b>Gross financial position exposure</b> | <b>18,442</b>   | <b>19,795</b> |
| <b>EUR</b>                               |   |               |
| Trade and other current payables         | -   | 2,535         |
| <b>Gross financial position exposure</b> | <b>-</b>  | <b>2,535</b>  |

**Food and Drinks Public Company Limited****Notes to the financial statements****For the year ended 31 December 2023**

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**

| <i>As at 31 December 2023</i> | Movement | Profit or loss |               | Equity, net of tax |               |
|-------------------------------|----------|----------------|---------------|--------------------|---------------|
|                               |          | (%)            | Strengthening | Weakening          | Strengthening |
| US dollar                     | 10       | 1,721          | (1,721)       | -                  | -             |

Unit : Thousand Baht

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

| <i>As at 31 December 2022</i> | Movement | Profit or loss |               | Equity, net of tax |               |
|-------------------------------|----------|----------------|---------------|--------------------|---------------|
|                               |          | (%)            | Strengthening | Weakening          | Strengthening |
| US dollar                     | 10       | 1,885          | (1,885)       | -                  | -             |
| EUR                           | 10       | 253            | (253)         | -                  | -             |

*Interest rate risk*

The Company's exposure to interest rate risk relates primarily to its cash at banks, current investment, 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.

*29.3 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 2023, according to the statement of financial position in which equity method is applied, the Company's debt-to-equity ratio was 0.29:1 (2022 : 0.31:1) and according to the separate financial statements, the Company's debt-to-equity ratio was 0.30:1 (2022:0.32:1).

**Food and Drinks Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**30 Commitments with non-related parties**

Unit : Thousand Baht

|   |               | <b>Financial statements in which the equity<br/>method is applied and<br/>separate financial statements</b> |               |
|---|---------------|---|---------------|
|   |               | 2023  | 2022          |
| <i><b>Capital commitments</b></i>   |               |   |               |
| Machinery and equipment   | Thousand Baht | 6,000   | 35,850        |
| Machinery   | Thousand USD  | -   | 68            |
| <i><b>Future minimum lease payment</b></i>                                |               |   |               |
| <i><b>under non-cancellable operating lease and service contracts</b></i> |               |   |               |
| Within one year   |               | 3,939   | 2,984         |
| After one year but within five years                                      |               | 793   | 4,827         |
| <b>Total</b>  |               | <b>4,732</b>  | <b>7,811</b>  |
| <i><b>Other commitments</b></i>   |               |   |               |
| Bank guarantees   |               | 9,577   | 33,966        |
| Forward exchange contracts  |               | 20,974  | 37,013        |
| <b>Total</b>  |               | <b>30,551</b>   | <b>70,979</b> |

***Operating lease Commitments***

As at 31 December 2023, 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 2023, 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 2023, the Company entered into forward exchange contracts to sell totalling Baht 20.97 million (USD 0.59 million) These contracts are due from 24 January 2024 - 4 April 2024.



**Food and Drinks Public Company Limited**

**Notes to the financial statements**

**For the year ended 31 December 2023**

*Unused credit facilities*

As at 31 December 2023, the Company had unused overdrafts and short-term loans facilities from financial institutions totalling Baht 320.00 million. (2022: Baht 148.03 million) Forward exchange contract unused totalling USD 3.41 million (2022: USD 7.97 million)

**31 Reclassification of accounts**

Certain accounts in the 2022 financial statements have been reclassified to conform with the presentation in the 2023 financial statements as follows:

|   | Unit : Thousand Baht |         |               |
|---|----------------------|---------|---------------|
|   | 2022                 |         |               |
|   | Before reclass       | Reclass | After reclass |
| <i>Statements of financial position</i>   |                      |         |               |
| Right-of-use assets                       | 5,379                | 6,126   | 11,505        |
| Current portion of lease liabilities      | 1,522                | 1,276   | 2,798         |
| Lease liabilities                         | 1,823                | 4,849   | 6,672         |
| <i>Statements of Comprehensive Income</i> |                      |         |               |
| Revenue from sales                        | 734,784              | 4,516   | 739,300       |
| Other income                              | 19,015               | (545)   | 18,470        |
| Costs of sales of goods                   | 622,119              | (75)    | 622,044       |
| Distribution costs                        | 36,792               | 3,971   | 40,763        |
| Finance costs                             | 1,590                | 75      | 1,665         |

**32 Approval of financial statements**


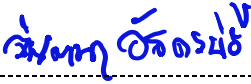

These financial statements have been authorised for issue by the Company's Board of Directors on 28 February 2024.

## Part 4 Certification of Information and Data Accuracy

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. <u>Miss Huai Hui Lee</u>          | <u>Chief Executive Officer</u> |  |
| 2. <u>Mrs. Chintana Asdornnithee</u> | <u>Executive Director</u>      |  |
| Authorized person                    | Position                       | Signature   |
| <u>Miss Nungnuch Thaiprasertsook</u> | <u>Company Secretary</u>       |  |

## **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. qualifications**

- 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 5 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 Review the table of authority to appropriate with operation, condition and size of the business.
- 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.
- 4.9 Monitor related party transactions or transactions that may have significant conflicts of interest, including fundraising of the Company and its subsidiaries.
- 4.10 Establish policies and procedures to deal with complaints or whistleblowing of inappropriate behavior within the Company, and appropriate whistleblower protection measures.
- 4.11 Establish policies and procedures to deal with complaints or whistleblowing of inappropriate behavior within the Company, and appropriate whistleblower protection measures.

## 5. Duties of the Chairman

- 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.
- 6.2 For sub-committees, Board term shall be in accordance with Board of Director term. When the term expires can reappointed by the committee to continue in the position.

## 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 director who has an interest in the matter being considered must inform of the interest and is prohibited from attending the meeting to consider that matter.
- 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

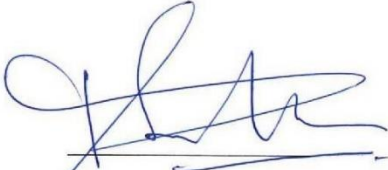
## 8. Reporting

Directors must report operating results to shareholders in the company's annual report (Form 56-1 One Report) with at least the details as required by relevant laws, rules or regulations.

## 9. Evaluation

The committee organizes a self-evaluation of the performance of the committee as a whole and individually on an annual basis. To consider and review performance results, problems, and various obstacles. In the past year To make the work of the committee and management more efficient.

This Charter was approved by the Board of Directors at the Meeting No. 1/2024 on January 19, 2024 and will be effective from January 19, 2024 onwards.



(Mr. Phirasilp Subhapholsiri)

Chairman Board of Director

## Charter of the Audit Committee

Board of Directors Food and Drinks Public Company Limited has recognize and realized the importance of good corporate governance and responsibility towards society and stakeholders, therefore has established an audit committee to be an independent organization to support and operate on behalf of the Board of Directors. To reviewing financial information presented to shareholders and related parties. Review the internal control system and communication with the company's auditor.

The Audit Committee of Food and Drinks Public Company Limited has therefore jointly considered to prepare this charter with the approval of the Board of Directors so that the Audit Committee can perform its duties according to the duties assigned by Board of Directors. The Audit Committee has the qualifications The following roles and tasks.

### 1. Qualifications and composition

- 1.1 The Audit Committee consists of at least 3 independent directors who are not executive positions and qualifications as specified by the Stock Exchange of Thailand, appointed by the Board of Directors.

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

- 1.2 Audit Committee members have a term of office of 3 years or terminate by resignation or removal from the Board of Directors. or by resigning from being a company director Audit committee members who vacate their position upon completion of their term may be reappointed by the Board of Directors.
- 1.3 In the event that the position of the Audit Committee is vacant for reasons other than retirement at the end of the term, the Board of Directors shall appoint qualify persons as the Audit Committee. The replacement person can hold office only for the remaining term of the Audit Committee member who replaced.

### 2. Scope and duties

- 2.1 Review the Charter of the Audit Committee at least once a year and amendments to issues deemed necessary and appropriate.
- 2.2 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.
- 2.3 Promote the company to have channels for receiving complaints or reporting inappropriate behavior. (Whistleblower) within the company that may occur, including implementing policies or procedures for dealing with complaints and protecting whistleblowers appropriately.





- 2.4 Select and propose The Company's auditors who have knowledge, ability and independent. According to the guidelines of the Securities and Exchange Commission, appointing and remunerating the company's auditors.
- 2.5 Ensure the accuracy, completeness and reliability of financial statements and that sufficient information is disclosed.
- 2.6 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.
- 2.7 Follow up and find the cause from those involved. When irregularities are detected in the financial statements Including reporting suspicious behavior of directors, managers or persons responsible for the company's operations to the SEC Office immediately upon notification from the auditor. and report the results of the audit to the SEC Office and the auditor within 30 days.
- 2.8 The Audit Committee can seek advice from independent external consultants if necessary, at the Company's expense.
- 2.9 Consider related 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.
- 2.10 Proceed and monitoring the use of fundraising funds correctly and appropriately.
- 2.11 Review the consistency of information in financial reports. financial status and operating results of the Company that has been communicated with investors or related persons.
- 2.12 Review the Company's compliance with the Securities and Exchange Act. Set requirements or laws relating to the Company's business
- 2.13 Report on the performance of the Audit Committee to the Board of Directors
- 2.14 Prepare the audit committee's report, disclosed in the Company's annual report, which must be signed by the Chairman of the Audit Committee
- 2.15 Perform other tasks as assigned by the Board of Directors and monitor the performance evaluations deemed important by the Audit Committee.

### 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.

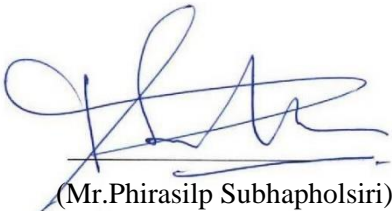
#### 4. Authority of the Audit Committee

- 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

- 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. 1/2024 on January 19, 2024 and will be effective from January 19, 2024 onwards.



(Mr. Phirasilp Subhapholsiri)

Chairman Board of 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 Qualifications

#### 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 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.
- 2.1.3 The company consider proposing to employees of the company act secretary. The Nomination and Remuneration Committee shall appoint and give approval.

#### 2.2 Qualifications

- 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. Meetings

### 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.

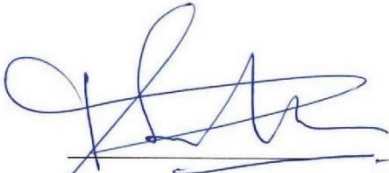
## 7. Evaluation

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. 1/2024 on January 19, 2024 and will be effective from January 19, 2024 onwards.



(Mr. Phirasilp Subhapholsiri)

Chairman Board of Director

## Report of the Audit Committee

The Audit Committee of Food and Drinks Public Company Limited is appointed by the Company's Board of Directors. and has a term of office of 3 years. The Audit Committee consists of 3 independent directors who are independent, have knowledge, expertise, and experience in finance, accounting, investment, as well as having knowledge about the company's business, with Ms. Wana Wiwatphanchat Chairman of the Audit Committee, Mr. Sumet Cheyonanan and Mr. Sansern Nilrat is a member of the audit committee. The Audit Committee has performed its duties and responsibilities in accordance with the charter of the Audit Committee and the regulations of the Stock Exchange of Thailand and report to the Board of Directors.

In 2023, the Audit Committee held 5 meetings, with all audit committee members attending every meeting.

The Audit Committee has performed its duties and responsibilities in accordance with the Audit Committee Charter in line with the good practices of the Securities and Exchange Commission of Thailand. Drive the Company to comply with the principles of good corporate governance, risk management process, and adequate internal control processes. Focus on being a transparent organization with efficient and effective internal auditing. To raise the quality of internal auditing which create sustainable for the Company by taking into account the needs of all stakeholder groups in all aspects.

The Audit Committee has reviewed financial statement reports, the disclosure of related parties transactions, conflicts of interest transactions. Review to ensure that the company has appropriate, efficient and effective internal control, consider selecting and present external auditor year 2023 to the Board of Directors for consideration, and perform other duties as assigned by the Board of Directors.

Summary of the key performance of the Audit Committee in 2023 as follows:

1. Review 2023 quarterly financial statements and annual financial statements with the management and auditor. To ensure that financial statement prepared in accordance with the requirements of laws, regulations, related requirements, and accounting standards according to generally accepted accounting principles with adequate disclosure. To ensure that the auditors performed their work independently according to professional standards and expressed opinion on financial statements prepared correctly and unconditionally, present to the Board of Directors for approval.
2. Proceed for the Company to hire an external internal auditor, DIA Audit Co., Ltd., to evaluate the adequacy of the internal control system. In 2023, it has been scheduled to examine sufficient and effective of the internal control system regarding: Raw material procurement control system/general purchasing (except fresh raw materials) and payment of domestic creditors. 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. Meeting with the company's auditor without management, to consult and exchange views on key matters in internal control, preparation of financial reports, disclosure, operational issues, and cooperation from management, which appears to be without any irregularities. Auditor had independent and receive good cooperation from management and staff, internal control system is adequate and appropriate.
4. Review the Company's compliance with securities and exchange laws, Stock Exchange Terms or business-related laws.
5. 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.
6. 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 Ms. Saleela Puttjarungvong Certified Auditor No. 6817 or Ms. Nuthrhamon Worathanathum Certified Auditor No. 13086 from Bunchikij Co., Ltd. is the auditor of the Company for the year 2023 and configures the audit fee to be presented to the Board of Directors' meeting.
7. To examine the disclosure of transactions, as well as transactions that may present conflicts of interest, ensuring compliance with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand, through examination and confirmation by management, no material irregularities were found. These transactions were conducted in accordance with general trading conditions, and related-party transactions were conducted as part of the company's normal business operations and were reasonable. Furthermore, there was sufficient and adequate disclosure of information, adhering to good corporate governance practices.
8. 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.
9. Co-ordinate understanding in the same way between Audit Committee, Management, Internal Auditor and Auditor.
10. Prepare the Audit Committee's Report.
11. 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 2023, the Nomination and Remuneration Committee held 3 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. This is aimed at augmenting employee compensation and fostering motivation for continued work.

3. Consider employee compensation and shareholder dividends.

The Nomination and Remuneration Committee has considered employee salary adjustment, taking into account factors such as inflation rates and business performance, including the evaluation of annual bonuses. This is aimed at augmenting employee compensation and motivation for continued work. As for shareholders, the committee has assessed the company's performance and retained earnings of the company. Due to the Company's inability to fully offset accumulated losses by the end of the fiscal year 2023, dividend payouts are not feasible at this time. It is anticipated that dividends will be distributed to shareholders in the future.

4. Consider recruiting the Chief Executive Officer and renewal contract for retired senior executives.

The Nomination and Compensation Committee has considered the appointment for the position of Chief Executive Officer of the company to replace the former person who has retired but will continue to serve as a consultant to the company.

Nomination and Remuneration Committee The results of the meeting are continuously informed by the Board of Directors. In 2023, 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