

February 25, 2022

Subject: Management discussion and analysis of the operating results for the year 2021

Attn: President  
The Stock Exchange of Thailand

Please find the Audited Financial Statement for the year ended 31 December 2021 which had been audited by Certified Auditor and has been approved by the Board of Director.

Food and Drinks Public Company Limited operating result for the year 2021 compare to 2020 and Statement of financial position as at 31 December 2021 compare to as at 31 December 2020 can be summarized the important essence as follows:

#### Operating Result

Company's Financial Statement for the year 2021 has net profit amount to Baht 9.3 million or Baht 0.53 per share compared to the net profit of Baht 24.27 million in year 2020. Our book value per share as at 31 December 2021 stood at 66.77 Baht

Significant changing is as follows:

- 1) Revenue from sale in Baht 622.08 million decreased by Baht 72.55 million or 10.44%. (2020 : Baht 694.62 million). Due to COVID – 19 control measures impacted to our customer's business both local and export which includes shortage of service containers and service vessels, the company has been unavailable for delivery. As a result, revenue recognition from export sales did not follow the export plan.
- 2) Cost of sales decreased by Baht 59.28 million due to sales amount decreased. Cost of sales ratio at 86.21% (2020 : at 85.74%) cost of sales ratio increase by 0.47% which result in gross profit of Baht 85.76 million decreasing from last year 13.40%.
- 3) Other income amounting of Baht 23.51 million increased by Baht 2.93 million or 14.25%. (2020 : Baht 20.58 million)
- 4) Selling expenses decreasing from last year amounting of Baht 4.55 million or 11.69% due to distribution fee decreased related with sales decreased.
- 5) Finance cost decrease by Baht 2.37 million or 43.19% due to paid loan from financial institution within year 2021 total amounting of Baht 40.21 million.
- 6) Company record profit sharing in joint-venture by equity method of Baht 4.82 million decreased from last year by Baht 3.26 million (2020 : profit amounting of Baht 8.09 million).
- 7) Income tax expenses increase from last year amounting of Baht 7.30 million (575.78%) due to write off deferred income tax asset which is expired within year 2021.

- 8) Fair value adjustment for land – net of income tax amounting of Baht 91.13 million.

#### Statement of Financial Position

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

#### Assets

Trade and other receivable decrease by	Baht (12.47) million
Inventories increase by	Baht 25.01 million
Property, plant and equipment increase by	Baht 96.48 million

#### Liabilities

Bank overdrafts and short-term loans	
from financial institutions decrease by	Baht (30.80) million
Long-term loan from financial institution	
decrease by	Baht (9.41) million
Deferred tax liabilities increase by	Baht 31.62 million

#### Shareholders' Equity

Other components of equity increase by	Baht 91.13 million
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#### Cash Flow Statement

Cash Flow Statement for the year ended 31 December 2021, the company has cash and cash equivalent transaction net decreased from 31 December 2020 in Baht 1.22 million by separate cash flow to each activity as follows:

- Cash flow from operating activity , net cash received Baht 34.86 million has significant transactions as follow:
  - Operating cash flow before changing in operating asset and liability Baht 44.53 million
  - Trade and other receivable decrease by Baht 12.54 million
  - Inventories increase by Baht (25.01) million
  - Trade and other current payable increase by Baht 9.95 million
  - Paid for financial cost Baht (3.13) million
- Cash flow from investing activity, net cash received Baht 5.72 million has significant transactions as follow:
  - Dividend income from associate Baht 10.23 million

- Acquisition of property, plant and equipment Baht (3.37) million
  - Cost of rubber plantation Baht (1.15) million
3. Cash flow from financing activity, net cash used in Baht 41.80 million has significant transactions as follow:
- Bank overdrafts and short-term loans from financial institutions decrease by Baht (30.80) million
  - Repayment of loan-term loan Baht (9.41) million
  - Repayment of lease liabilities Baht (1.59) million

Please be informed accordingly.

Sincerely yours,

(Ms. Huai Hui, Lee)  
Chief Operating Officer