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Ref. WINNER 013/2022

August 10, 2022

Subject: Management Discussion and Analysis for the 3-month and 6-month period ended 30 June 2022

To: The President  
 The Stock Exchange of Thailand

1. Analysis of Operating Results and Financial Position for the Company and its subsidiary
- 1.1 Analysis of Operating Results for the Company and its subsidiary for the 3-month period ended 30 June 2022

Table 1: Operating results for the 3-month period ended 30 June 2022

	Consolidated Financial Statements				Separate Financial Statements			
			Increase (Decrease)				Increase (Decrease)	
	2022	2021	Thousand Baht	%	2022	2021	Thousand Baht	%
<b>Total revenues</b>	<b>508,933</b>	<b>392,275</b>	<b>116,658</b>	<b>29.7</b>	<b>498,260</b>	<b>383,568</b>	<b>114,692</b>	<b>29.9</b>
Sales and service income	506,937	389,186	117,751	30.3	496,100	379,296	116,804	30.8
Cost of sales and service	393,721	299,949	93,772	31.3	386,616	293,421	93,195	31.8
<b>Gross profit</b>	<b>113,216</b>	<b>89,237</b>	<b>23,979</b>	<b>26.9</b>	<b>109,484</b>	<b>85,875</b>	<b>23,609</b>	<b>27.5</b>
Other income	1,996	3,089	(1,093)	(35.4)	2,160	4,272	(2,112)	(49.4)
<b>Profit before expenses</b>	<b>115,212</b>	<b>92,326</b>	<b>22,886</b>	<b>24.8</b>	<b>111,644</b>	<b>90,147</b>	<b>21,497</b>	<b>23.8</b>
Selling and distribution expenses	29,041	25,377	3,664	14.4	28,085	23,809	4,276	18.0
Administrative expenses	44,182	42,199	1,983	4.7	37,207	33,807	3,400	10.1
Loss from impairment of investment in subsidiary	-	-	-	-	-	17,750	(17,750)	(100.0)
<b>Total Expenses</b>	<b>73,223</b>	<b>67,576</b>	<b>5,647</b>	<b>8.4</b>	<b>65,292</b>	<b>75,366</b>	<b>(10,074)</b>	<b>(13.4)</b>
<b>Profit from operating activities</b>	<b>41,989</b>	<b>24,750</b>	<b>17,239</b>	<b>69.7</b>	<b>46,352</b>	<b>14,781</b>	<b>31,571</b>	<b>213.6</b>
Share of loss from investment in associate	(1,433)	(1,016)	(417)	41.0	-	-	-	-
Finance cost	(1,198)	(1,557)	359	(23.1)	(967)	(1,245)	278	(22.3)
<b>Profit before income tax expenses</b>	<b>39,358</b>	<b>22,177</b>	<b>17,181</b>	<b>77.5</b>	<b>45,385</b>	<b>13,536</b>	<b>31,849</b>	<b>235.3</b>
Income tax expenses	(9,210)	(6,821)	(2,389)	35.0	(9,113)	(6,809)	(2,304)	33.8
<b>Profit for the period</b>	<b>30,148</b>	<b>15,356</b>	<b>14,792</b>	<b>96.3</b>	<b>36,272</b>	<b>6,727</b>	<b>29,545</b>	<b>439.2</b>
Gross profit margin	22.3%	22.9%	(0.6%)		22.1%	22.6%	(0.5%)	
Selling and distribution expenses per net sales	5.7%	6.5%	(0.8%)		5.7%	6.3%	(0.6%)	
Administrative expense per net sales	8.7%	10.8%	(2.1%)		7.5%	8.9%	(1.4%)	
Net profit margin	5.9%	3.9%	2.0%		7.3%	1.8%	5.5%	
Earnings per share (Bath/Share)	0.05	0.03	0.02		0.06	0.01	0.05	

(Unit: Thousand Baht)

The Company and its subsidiary had profit for the second quarter of 2022 amount of Baht 30.1 million, quite highly increasing from the same period of previous year amount of Baht 14.8 million or 96.3% which was mainly from gross profit increased amount of Baht 24.0 million due to an increase in sales and service income amount of Baht 117.8 million while cost of sales increased amount of Baht 93.8 million. Gross profit margin was 22.3%, slightly decreasing from the same period of previous year by 0.6%. Moreover, finance cost decreased amount of Baht 0.4 million. However, other income decreased amount of Baht 1.1 million, selling and distribution expenses increased amount of Baht 3.7 million which was consistent with an increase in sales, and administrative expenses increased amount of Baht 2.0 million. Share of loss from investment in associate increased amount of Baht 0.4 million and income tax expenses increased amount of Baht 2.4 million due to an increase in profit before income tax expenses.

The Company had profit for the second quarter of 2022 amount of Baht 36.3 million, quite highly increasing from the same period of previous year amount of Baht 29.5 million or 439.2% which was mainly from gross profit increased amount of Baht 23.6 million due to an increase in sales and service income amount of Baht 116.8 million while cost of sales increased amount of Baht 93.2 million. Gross profit margin was 22.1%, slightly decreasing from the same period of previous year by 0.5%. In addition, loss from impairment of investment in subsidiary decreased from the same quarter of previous year amount of Baht 17.8 million as there was no such loss in this quarter. Moreover, finance cost decreased amount of Baht 0.3 million. However, other income decreased amount of Baht 2.1 million, selling and distribution expenses increased amount of Baht 4.3 million which was consistent with an increase in sales, and administrative expenses increased amount of Baht 3.4 million. Moreover, income tax expenses increased amount of Baht 2.4 million due to an increase in profit before income tax expenses.

■ Revenues from sales and service

Table 2: Revenues from sales separated by main product segment for the 3-month period ended 30 June 2022

(Unit: Thousand Baht)

Operating segment	For the 3-month period ended				Increase (Decrease)	
	30 June				Thousand Baht	%
	2022	%	2021	%		
Industrial food products segment	220,965	43.6	176,828	45.4	44,137	25.0
Consumer food products segment	273,885	54.0	200,659	51.6	73,226	36.5
Manufacture of skincare products, cosmetics, food supplements and medicines used to treat skin diseases segment	12,087	2.4	11,699	3.0	388	3.3
<b>Total</b>	<b>506,937</b>	<b>100.0</b>	<b>389,186</b>	<b>100.0</b>	<b>117,751</b>	<b>30.3</b>

The Company and its subsidiary's revenues from sales and service were Baht 506.9 million, quite highly increasing from the same period of previous year amount of Baht 117.8 million or 30.3% which were from all segments. Revenues from sales of industrial food products segment increased amount of Baht 44.1 million or 25.0% from product group of food ingredient such as cocoa powder, potato starch and etc., and food specialty. Revenues from sales of consumer food products segment increased amount of Baht 73.2 million or 36.5% from product group of snack & confectionary, and frozen & chilled food which was mainly from the Company was able to sell more products to big customers and Horeca group due to the current situation of the Coronavirus-19 pandemic has relieved, so hotel, restaurant and airline businesses have reopened widely.

Moreover, revenues from sales of manufacture of skincare products, cosmetics, food supplements and medicines used to treat skin diseases segment slightly increased amount of Baht 0.4 million or 3.3%.

▪ Gross profit

The Company and its subsidiary's gross profit was Baht 113.2 million, increasing from the same period of previous year amount of Baht 24.0 million. Gross profit margin was 22.3%, slightly decreasing from the same period of previous year by 0.6%.

The Company's gross profit was Baht 109.5 million, increasing from the same period of previous year amount of Baht 23.6 million which was in accordance with an increase in sales and service income amount of Baht 116.8 million while cost of sales increased amount of Baht 93.2 million. The Company's gross profit margin was 22.1%, slightly decreasing from the same period of previous year by 0.5% which was mainly from an effect of the depreciation of Thai Baht compared with the same quarter of previous year. In the second quarter of 2022, value of Thai Baht against US dollar was between 33.52-35.71, while at the same period of previous year was between 31.27-32.22.

▪ Other income

The Company and its subsidiary's other income was Baht 2.0 million, decreasing amount of Baht 1.1 million which was mainly due to commission income decreased amount of Baht 1.1 million.

Expenses

▪ Selling and distribution expenses

The Company and its subsidiary's selling and distribution expenses were Baht 29.0 million, increasing from the same period of previous year amount of Baht 3.7 million or 14.4% which were from employee expenses increased amount of Baht 0.8 million (from the Company's expenses amount of Baht 1.3 million while decreased in a subsidiary's amount of Baht 0.5 million due to a decrease in number of employees) and marketing expenses increased amount of Baht 2.7 million which was mainly due to an increase in promotion of sample products distribution and expenses for booth at ThaiFex-Anuga Asia 2022; Asia's leading food expo.

▪ Administrative expenses

The Company and its subsidiary's administrative expenses were Baht 44.2 million, increasing from the same period of previous year amount of Baht 2.0 million or 4.7% which were mainly due to provision for loss from obsolete stock of the Company increased amount of Baht 1.3 million which was a reversal of provision amount Baht 0.9 million while was Baht 2.2 million at the same period of previous year.

▪ Loss from impairment of investment in subsidiary

The Company's loss from impairment of investment in subsidiary decreased from the same period of previous year as there was no such transaction in this period.

▪ Share of loss from investment in associate

Share of loss from investment in associate based on equity method slightly decreased from the same period of previous year amount of Baht 0.4 million.

▪ Finance cost

The Company and its subsidiary's finance cost decreased amount of Baht 0.4 million which was mainly from the Company's interest expenses decreased amount of Baht 0.3 million from long-term loan from financial institution repayment during the current period. Therefore, as at 30 June 2022, the Company has repaid such loan in full amount.

▪ Profit for the period

The Company and its subsidiary's profit for the period was Baht 30.1 million, increasing from the same period of previous year amount of Baht 14.8 million or 96.3% which was due to gross profit increased amount of Baht 24.0 million and finance cost decreased amount of Baht 0.4 million. However, other income decreased amount of Baht 1.1 million, selling and distribution expenses increased amount of Baht 3.7 million, administrative expenses increased amount of Baht 2.0 million, share of loss from investment in associate increased amount of Baht 0.4 million, and income tax expenses increased amount of Baht 2.4 million as mentioned above.

The Company's profit for the period was Baht 36.3 million, increasing from the same period of previous year amount of Baht 29.5 million or 439.2% which was mainly due to gross profit increased amount of Baht 23.6 million as well as loss from impairment of investment in subsidiary decreased from the same quarter of previous year amount of Baht 17.8 million and finance cost decreased amount of Baht 0.3 million. However, other income decreased amount of Baht 2.1 million, selling and distribution expenses increased amount of Baht 4.3 million, and administrative expenses increased amount of Baht 3.4 million. Moreover, income tax expenses increased amount of Baht 2.4 million as mentioned above.

1.2 Analysis of Operating Results for the Company and its subsidiary for the 6-month period ended  
 30 June 2022

Table 3: Operating results for the 6-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated Financial Statements		Increase (Decrease)		Separate Financial Statements		Increase (Decrease)	
	2022	2021	Thousand Baht	%	2022	2021	Thousand Baht	%
<b>Total revenues</b>	<b>960,820</b>	<b>812,622</b>	<b>148,198</b>	<b>18.2</b>	<b>941,542</b>	<b>795,271</b>	<b>146,271</b>	<b>18.4</b>
Sales and service income	956,317	807,629	148,688	18.4	936,746	788,086	148,660	18.9
Cost of sales and service	738,521	621,515	117,006	18.8	725,266	608,274	116,992	19.2
<b>Gross profit</b>	<b>217,796</b>	<b>186,114</b>	<b>31,682</b>	<b>17.0</b>	<b>211,480</b>	<b>179,812</b>	<b>31,668</b>	<b>17.6</b>
Other income	4,503	4,993	(490)	(9.8)	4,796	7,185	(2,389)	(33.2)
<b>Profit before expenses</b>	<b>222,299</b>	<b>191,107</b>	<b>31,192</b>	<b>16.3</b>	<b>216,276</b>	<b>186,997</b>	<b>29,279</b>	<b>15.7</b>
Selling and distribution expenses	55,078	50,907	4,171	8.2	53,025	47,511	5,514	11.6
Administrative expenses	92,831	86,466	6,365	7.4	78,617	70,012	8,605	12.3
Loss from impairment of investment in subsidiary	-	-	-	-	-	17,750	(17,750)	(100.0)
<b>Total Expenses</b>	<b>147,909</b>	<b>137,373</b>	<b>10,536</b>	<b>7.7</b>	<b>131,642</b>	<b>135,273</b>	<b>(3,631)</b>	<b>(2.7)</b>
<b>Profit from operating activities</b>	<b>74,390</b>	<b>53,734</b>	<b>20,656</b>	<b>38.4</b>	<b>84,634</b>	<b>51,724</b>	<b>32,910</b>	<b>63.6</b>
Share of profit (loss) from investment in associate	666	(1,016)	1,682	(165.6)	-	-	-	-
Finance cost	(2,338)	(3,279)	941	(28.7)	(1,848)	(2,642)	794	(30.1)
<b>Profit before income tax expenses</b>	<b>72,718</b>	<b>49,439</b>	<b>23,279</b>	<b>47.1</b>	<b>82,786</b>	<b>49,082</b>	<b>33,704</b>	<b>68.7</b>
Income tax expenses	(16,685)	(14,184)	(2,501)	17.6	(16,563)	(14,158)	(2,405)	17.0
<b>Profit for the period</b>	<b>56,033</b>	<b>35,255</b>	<b>20,778</b>	<b>58.9</b>	<b>66,223</b>	<b>34,924</b>	<b>31,299</b>	<b>89.6</b>
Gross profit margin	22.8%	23.0%	(0.2%)		22.6%	22.8%	(0.2%)	
Selling and distribution expenses per net sales	5.8%	6.3%	(0.5%)		5.7%	6.0%	(0.3%)	
Administrative expense per net sales	9.7%	10.7%	(1.0%)		8.4%	8.9%	(0.5%)	
Net profit margin	5.8%	4.3%	1.5%		7.0%	4.4%	2.6%	
Earnings per share (Bath/Share)	0.09	0.06	0.03		0.11	0.06	0.05	

The Company and its subsidiary had profit for the first half year of 2022 amount of Baht 56.0 million, quite highly increasing from the same period of previous year amount Baht 20.8 million or 58.9% which was mainly from gross profit increased amount of Baht 31.7 million due to an increase in sales and service income amount of Baht 148.7 million while cost of sales increased amount of Baht 117.0 million. Gross profit margin was 22.8%, slightly decreasing by 0.2%. Moreover, finance cost decreased amount of Baht 0.9 million and share of profit from investment in associate increased amount of Baht 1.7 million. However, other income decreased amount of Baht 0.5 million, selling and distribution expenses increased amount of Baht 4.2 million, administrative expenses increased amount of Baht 6.4 million, and income tax expenses increased amount of Baht 2.5 million.

The Company had profit for the first half year of 2022 amount of Baht 66.2 million, quite highly increasing from the same period of previous year amount Baht 31.3 million or 89.6% which was mainly from gross profit increased amount of Baht 31.7 million due to an increase in sales and service income of amount of Baht 148.7 million while cost of sales increased amount of Baht 117.0 million. Gross profit margin was 22.6%, slightly decreasing from the same period of previous year by 0.2% and loss from impairment of investment in subsidiary decreased from the same period of previous year amount of Baht 17.8 million as there was no such loss in this year. Moreover, finance cost decreased amount of Baht 0.8 million. However, other income decreased amount of Baht 2.4 million, selling and distribution expenses increased amount of Baht 5.5 million which was consistent with an increase in sales, and administrative expenses increased amount of Baht 8.6 million. In addition, income tax expenses increased amount of Baht 2.4 million due to an increase in profit before income tax expenses.

■ Revenues from sales and service

Table 4: Revenues from sales separated by main product segment for the 6-month period ended 30 June 2022

(Unit: Thousand Baht)

Operating segment	For the 6-month period ended 30 June				Increase (Decrease)	
	2022	%	2021	%	Thousand Baht	%
	Industrial food products segment	411,565	43.0	357,982	44.3	53,583
Consumer food products segment	523,475	54.8	427,954	53.0	95,521	22.3
Manufacture of skincare products, cosmetics, food supplements and medicines used to treat skin diseases segment	21,277	2.2	21,693	2.7	(416)	(1.9)
<b>Total</b>	<b>956,317</b>	<b>100.0</b>	<b>807,629</b>	<b>100.0</b>	<b>148,688</b>	<b>18.4</b>

In the first half year of 2022, the Company and its subsidiary's revenues from sales and service were Baht 956.3 million, increasing from the same period of previous year amount of Baht 807.6 million or 18.4%. Revenues from sales of industrial food products segment increased amount of Baht 53.6 million or 15.0% from product group of food ingredient such as cocoa powder, potato starch and etc., and food specialty. Revenues from sales of consumer food products segment increased amount of Baht 95.5 million or 22.3% from product group of snack & confectionary, and frozen & chilled food which was mainly from the Company was able to sell more products to big customers and Horeca group due to the current situation of the Coronavirus-19 pandemic has relieved, so hotel, restaurant and airline businesses have reopened widely.

For revenues from sales of manufacture of skincare products, cosmetics, food supplements and medicines used to treat skin diseases segment slightly decreased amount of Baht 0.4 million or 1.9%.

▪ Gross profit

In the first half year of 2022, the Company and its subsidiary's gross profit was Baht 217.8 million, increasing from the same period of previous year amount of Baht 31.7 million. Gross profit margin was 22.8%, slightly decreasing from the same period of previous year by 0.2%.

The Company's gross profit was Baht 211.5 million, increasing from the same period of previous year amount of Baht 31.7 million which was in accordance with an increase in sales and service income amount of Baht 148.7 million while cost of sales increased amount of Baht 117.0 million. The Company's gross profit margin was 22.6%, slightly decreasing from the same period of previous year by 0.2% which was mainly from an effect of the depreciation of Thai Baht compared with the same period of previous year. In the first half year of 2022, value of Thai Baht against US dollar was between 32.30-35.71, while at the same period of previous year was between 30.03-32.22.

▪ Other income

In the first half year of 2022, the Company and its subsidiary's other income was Baht 4.5 million, slightly decreasing amount of Baht 0.5 million which was mainly due to commission income decreased amount of Baht 0.6 million and gain from foreign exchange rate decreased amount of Baht 1.1 million which at the same period of previous year was gain amount of Baht 1.0 million while in this period was loss amount of Baht 0.7 million which was presented including in group of administrative expenses. However, other income increased amount of Baht 1.2 million.

Expenses

▪ Selling and distribution expenses

The Company and its subsidiary's selling and distribution expenses for the first half year of 2022 were Baht 55.1 million, increasing from the same period of previous year amount of Baht 4.2 million or 8.2% which were from employee expenses increased amount of Baht 1.9 million (from the Company's expenses amount of Baht 3.0 million while decreased in a subsidiary's amount of Baht 1.1 million due to a decrease in number of employees) and marketing expenses increased amount of Baht 2.4 million which was mainly due to an increase in promotion of sample products distribution and expenses for booth at ThaiFex- Anuga Asia 2022; Asia's leading food expo.

▪ Administrative expenses

In the first half year of 2022, the Company and its subsidiary's administrative expenses were Baht 92.8 million, increasing from the same period of previous year amount of Baht 6.4 million or 7.4% which were mainly from provision for loss from obsolete stock increased amount of Baht 6.7 million which the provision was recorded in this period amount of Baht 3.8 million from the Company's amount of Baht 3.5 million and a subsidiary's amount of Baht 0.3 million while at the same period of previous year was a reversal of provision amount of Baht 2.9 million (a reversal of provision of the Company amount of Baht 3.6 Baht while was provision of a subsidiary amount of Baht 0.7 million).

- Loss from impairment of investment in subsidiary

The Company's loss from impairment of investment in subsidiary decreased from the same period of previous year as there was no such transaction in this period.

- Share of profit (loss) from investment in associate

Share of profit from investment in associate based on equity method increased from the same period of previous year amount of Baht 1.7 million. At the same period of previous year, the Company acquired investment in an associate in May 2021 and recognised share of loss from investment in associate amount of Baht 1.0 million. However, the Company recognised share of profit from investment in associate amount of Baht 0.7 million in this period.

- Finance cost

The Company and its subsidiary's finance cost decreased amount of Baht 0.9 million which was mainly from the Company's interest expenses decreased amount of Baht 0.8 million from long-term loan from financial institution repayment during the current period. Therefore, as at 30 June 2022, the Company has repaid such loan in full amount.

- Profit for the period

The Company and its subsidiary's profit for the period was Baht 56.0 million, increasing from the same period of previous year amount of Baht 20.8 million or 58.9% which was due to gross profit increased amount of Baht 31.7 million, share of profit from investment in associate increased amount of Baht 1.7 million, and finance cost decreased amount of Baht 0.9 million. However, other income decreased amount of Baht 0.5 million, selling and distribution expenses increased amount of Baht 4.2 million, administrative expenses increased amount of Baht 6.4 million, and income tax expenses increased amount of Baht 2.5 million as mentioned above.

The Company's profit for the period was Baht 66.2 million, quite highly increasing from the same period of previous year amount of Baht 31.3 million or 89.6% which was mainly due to gross profit increased amount of Baht 31.7 million and loss from impairment of investment in subsidiary decreased from the same period of previous year amount of Baht 17.8 million. Moreover, finance cost decreased amount of Baht 0.8 million. However, other income decreased amount of Baht 2.4 million, selling and distribution expenses increased amount of Baht 5.5 million, and administrative expenses increased amount of Baht 8.6 million. In addition, income tax expenses increased amount of Baht 2.4 million as mentioned above.



## 2. Financial Position Analysis

Table 5: Overall Financial Position of the Company and its subsidiary as at 30 June 2022

(Unit: Thousand Baht)

	Consolidated Financial Statements				Increase (Decrease)		Separate Financial Statements				Increase (Decrease)	
	30/6/22	%	31/12/21	%	Thousand Baht	%	30/06/22	%	31/12/21	%	Thousand Baht	%
Current Assets	881,367	64.6	790,359	61.7	91,008	11.5	865,565	63.3	777,649	61.4	87,916	11.3
Non-Current Assets	482,604	35.4	489,907	38.3	(7,303)	(1.5)	502,628	36.7	489,569	38.6	13,059	2.7
<b>Total Assets</b>	<b>1,363,971</b>	<b>100.0</b>	<b>1,280,266</b>	<b>100.0</b>	<b>83,705</b>	<b>6.5</b>	<b>1,368,193</b>	<b>100.0</b>	<b>1,267,218</b>	<b>100.0</b>	<b>100,975</b>	<b>8.0</b>
Current Liabilities	658,986	48.3	558,147	43.6	100,839	18.1	625,108	45.7	518,736	40.9	106,372	20.5
Non-Current Liabilities	38,579	2.8	39,749	3.1	(1,170)	(2.9)	32,425	2.4	32,048	2.6	377	1.2
<b>Total Liabilities</b>	<b>697,565</b>	<b>51.1</b>	<b>597,896</b>	<b>46.7</b>	<b>99,669</b>	<b>16.7</b>	<b>657,533</b>	<b>48.1</b>	<b>550,784</b>	<b>43.5</b>	<b>106,749</b>	<b>19.4</b>
Shareholders' equity	666,406	48.9	682,370	53.3	(15,964)	(2.3)	710,660	51.9	716,434	56.5	(5,774)	(0.8)
<b>Total liabilities and shareholders' equity</b>	<b>1,363,971</b>	<b>100.0</b>	<b>1,280,266</b>	<b>100.0</b>	<b>83,705</b>	<b>6.5</b>	<b>1,368,193</b>	<b>100.0</b>	<b>1,267,218</b>	<b>100.0</b>	<b>100,975</b>	<b>8.0</b>

### 2.1 Assets

As at 30 June 2022, the Company and its subsidiary had total assets amount of Baht 1,364.0 million which were comprised of current assets amount of Baht 881.4 million or 64.6% of total assets and non-current assets amount of Baht 482.6 million or 35.4% of total assets.

The main compositions of assets were inventories amount of Baht 475.5 million or 34.9%, property, plant and equipment amount of Baht 309.0 million or 22.7%, trade and other receivables amount of Baht 334.5 million or 24.5%, and goodwill amount of Baht 94.4 million or 6.9%.

- Current assets were Baht 881.4 million, increasing from the previous year amount of Baht 810.4 million or 11.5%. The main reasons were from inventories increased amount of Baht 86.7 million, cash and cash equivalents increased amount of Baht 8.3 million, and derivative assets increased amount of Baht 3.8 million while trade and other receivables decreased amount of Baht 5.6 million and other current assets decreased amount of Baht 2.2 million.
- Non-current assets were Baht 482.6 million, decreasing from the previous year amount of Baht 490.0 million or 1.5%. The main reasons were from property, plant and equipment decreased amount of Baht 8.1 million and right-of-use assets decreased amount of Baht 6.8 million while advance payment for share subscription increased amount of Baht 6.8 million (in the second quarter of 2022, the Company acquired additional ordinary shares of associate with an unchanged proportion of investment at 45%), and deferred tax assets increased amount of Baht 1.0 million.

### 2.2 Liabilities

As at 30 June 2022, the Company and its subsidiary had total liabilities amount of Baht 697.6 million, which were comprised of current liabilities amount of Baht 659.0 million or 94.5% of total liabilities and non-current liabilities amount of Baht 38.6 million or 5.5% of total liabilities.

The main compositions of liabilities were bank overdrafts and short-term loans from financial institutions amount of Baht 346.5 million or 49.7% and trade and other payables amount of Baht 271.9 million or 39.0%.

- Current liabilities increased from the end of previous year amount of Baht 100.8 million or 18.1%. The main reasons were from bank overdrafts and short-term loans from financial institutions increased amount of Baht 89.4 million and trade and other payables increased amount of Baht 30.0 million, while current portion of long-term loan from financial institution decreased amount of Baht 14.3 million from loan repayment during the period, current portion of lease liabilities decreased amount of Baht 2.6 million, and income tax payable decreased amount of Baht 1.6 million.
- Non-current liabilities slightly decreased from the end of previous year amount of Baht 1.2 million or 2.9%. The main reasons were from lease liabilities - net of current portion decreased amount of Baht 3.8 million while provision for long-term employee benefits increased amount of Baht 2.7 million

### 2.3 Shareholders' equity

Shareholders' equity as at 30 June 2022 was Baht 666.4 million, decreasing from the end of previous year amount of Baht 16.0 million due to net profit for the first 6-month period of 2022 of the Company and its subsidiary amount of Baht 56.0 million and dividend payment during the period amount of Baht 72.0 million.

### 3. Cash flows Analysis

Table 6: Overall cash flow of the Company and its subsidiary for the 6-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Cash flows from operating activities	21,738	21,408	30,981	28,561
Cash flows used in investing activities	(10,209)	(13,426)	(23,924)	(23,021)
Cash flows from (used in) financing activities	(3,257)	(15,757)	1,880	(12,577)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8,272</b>	<b>(7,775)</b>	<b>8,937</b>	<b>(7,037)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>37,923</b>	<b>43,813</b>	<b>34,805</b>	<b>40,819</b>
<b>Cash and cash equivalents at end of the period</b>	<b>46,195</b>	<b>36,038</b>	<b>43,742</b>	<b>33,782</b>

- The Company and its subsidiary had net cash flows from operating activities for the first 6-month period of 2022 amount of Baht 21.7 million which was the Company's cash flow amount of Baht 31.0 million.

▪ **Net cash flows used in investing activities**

✚ **The Company and its subsidiary**

✚ 2022: The Company and its subsidiary's net cash flows used in investing activities were amount of Baht 10.2 million. The main reasons were from advance payment for share subscription amount of Baht 6.8 million, acquisition of equipment and intangible assets during the period amount of Baht 2.2 million and Baht 1.4 million, respectively. Meanwhile, there was cash received from sales of equipment amount of Baht 0.1 million.

✚ 2021: The Company and its subsidiary's net cash flows used in investing activities were amount of Baht 13.4 million. The main reasons were from acquisition of investment in associate of the Company approximately amount of Baht 14.2 million and acquisition of equipment and intangible assets amount of Baht 1.0 million and Baht 0.3 million, respectively. Meanwhile, there was cash received from sales of equipment amount of Baht 2.0 million.

✚ **The Company**

✚ 2022: The Company's net cash flows used in investing activities were amount of Baht 23.9 million. The main reasons were from loans to subsidiary during the period amount of Baht 15.5 million, advance payment for share subscription amount of baht 6.8 million, acquisition of equipment and intangible assets amount of Baht 1.1 million and Baht 1.3 million, respectively. Meanwhile, there were cash received from interest income amount of baht 0.7 million and sales of equipment amount of Baht 0.1 million.

✚ 2021: The Company's net cash flows used in investing activities were amount of Baht 23.0 million. The main reasons were from acquisition of investment in associate of the Company approximately amount of Baht 14.2 million, loans to subsidiary during the period amount of Baht 13.4 million, and acquisition of equipment and intangible assets during the period amount of Baht 0.9 million and Baht 0.2 million, respectively. Meanwhile there were cash received from interest income from a subsidiary amount of baht 2.6 million, sales of equipment amount of Baht 2.0 million, and long-term loans repayment from a subsidiary amount of baht 1.0 million.

▪ **Net cash flows from (used in) financing activities**

✚ **The Company and its subsidiary**

✚ 2022: The Company and its subsidiary's net cash flows used in financing activities were amount of Baht 3.3 million. The main reasons were from dividend payment amount of Baht 72.0 million, long-term loans from financial institutions repayment and lease liabilities payment amount of Baht 14.3 million and Baht 6.4 million, respectively. Meanwhile short-term loans from financial institutions increased amount of Baht 89.4 million.

✚ 2021: The Company and its subsidiary's net cash flows used in financing activities were amount of Baht 15.8 million. The main reasons were from dividend payment to shareholders amount of Baht 40.0 million, long-term loans from financial institutions repayment and lease liabilities payment amount of Baht 40.7 million and Baht 8.4 million, respectively. Meanwhile, short-term loans from financial institutions in form of trust receipt payables increased amount of Baht 73.4 million.

✚ **The Company**

✚ 2022: The Company's net cash flows from financing activities were amount of Baht 1.9 million. The main reasons were from short-term loans from financial institutions in form of trust receipt payables increased amount of Baht 92.9 million, while dividend payment was amount of Baht 72.0 million, long-term loans from financial institutions repayment was amount of Baht 14.3 million, and lease liabilities payment was amount of Baht 4.7 million.

✚ 2021: The Company's net cash flows used in financing activities were amount of Baht 12.6 million. The main reasons were from dividend payment amount of Baht 40.0 million, long-term loans from financial institutions repayment amount of Baht 39.0 million and lease liabilities payment amount of Baht 7.0 million. Meanwhile, the Company increased in short-term loans from financial institutions in form of trust receipt amount of Baht 73.4 million.

Refer to the above information, the Company and its subsidiary had net increase in cash and cash equivalents during the first 6-month period of 2022 amount of Baht 8.3 million. When including with cash and cash equivalents as at 31 December 2021 amount of Baht 37.9 million, the Company and its subsidiary's cash and cash equivalents as at 30 June 2022 were equal to Baht 46.2 million.

Please be informed accordingly.

Yours faithfully,

(Jane Wongisariyakul)

CEO

Winner Group Enterprise Public Co., Ltd.

