

August 13, 2020

Subject: Management discussion and analysis of the operating results for the quarter  
2/2020

Attn: President  
The Stock Exchange of Thailand

Please find the reviewed Financial Statement for the Quarter 2/2020 ending 30 June 2020 which had been reviewed by Certified Auditor and has been approved by the Board of Director.

Food and Drinks Public Company Limited operating result in the Quarter 2/2020 compare to the Quarter 2/2019 and Statement of financial position as at 30 June 2020 compare to as at 31 December 2019 can be summarized the important essence as follows:

#### Operating Result

Company's Financial Statement in the Quarter 2/2020 has net profit amount to Baht 19.20 million or Baht 1.09 per share compared to the net profit of Baht 1.56 million in the Quarter 2/2019. Our book value per share as at 30 June 2020 stood at 60.46 Baht.

Significant changing is as follows:

- 1) Revenue from sale Baht 195.32 million increased by Baht 2.62 million or 1.36% from 2019, there is no any impact from COVID-19 pandemic in Quarter 2/2020.
- 2) Cost of sales decreased by Baht 14.97 million, cost of sales ratio at 77.77% (2019 : at 86.59%) which effected to the company has a gross profit of Baht 43.43 million increasing from last year 68.05%.
- 3) Selling expenses decrease amounting of Baht 3.72 million or 22.25%. Selling expenses for Quarter 2/2020 amounting of Baht 13.01 million (2019 : amounting of Baht 16.73 million).
- 4) The administration expenses amounting to Baht 15.30 million, increased by Baht 1.33 million or 9.49% from last year. (2019 : amounting of Baht 13.98 million).
- 5) Company record profit sharing in joint-venture by equity method of Baht 1.34 million decrease from last year by Baht 1.32 million (2019 : gain amounting of Baht 2.66 million).

### Statement of Financial Position

Statement of Financial Position as at 30 June 2020, the company has total asset of Baht 1,505.93 million decreased from last year by Baht 14.12 million, total liabilities in Baht 440.42 million decreased from last year by Baht 26.71 million and shareholders' equity of Baht 1,065.50 million increased from last year by Baht 12.59 million or 1.20%. The important essence detail of changing in asset, liabilities and shareholders' equity are as follows:

#### Assets

Cash and cash equivalent increase by	Baht	4.25 million
Trade and other receivable decrease by	Baht	(9.52) million
Inventories decrease by	Baht	(1.12) million
Other current assets increase by	Baht	6.87 million
Investment in associate decrease by	Baht	(9.10) million
Cost of rubber plantation increase by	Baht	1.12 million
Property, plant and equipment increase by	Baht	2.17 million

#### Liabilities

Bank overdrafts and short-term loans		
from financial institutions decrease by	Baht	(51.77) million
Trade and other payable increase by	Baht	2.69 million
Long-term loan		
from financial institutions increase by	Baht	17.65 million
Employee benefit obligations increase by	Baht	3.74 million

#### Shareholders' Equity

Net operating profit for the 6 month period in 2020	Baht	12.59 million
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### Cash Flow Statement

Cash Flow Statement for the six months period ended 30 June 2020, the company has cash and cash equivalent transaction net increased from 31 December 2019 in Baht 4.25 million by separate cash flow to each activity as follows:

- Cash flow from operating activity , net cash received Baht 28.45 million has essence transaction as follows:
  - Operating cash flow before changing in operating asset and liability Baht 28.28 million
  - Trade and other receivable decrease by Baht 8.93 million
  - Other current assets increase by Baht (6.58) million
  - Paid for financial cost Baht (3.30) million

2. Cash flow from investing activity, net cash received in Baht 10.47 million has essence transaction as follows:

- Dividend income from associate	Baht	13.64 million
- Purchase for building and equipment	Baht	(2.02) million
- Cost of rubber plantation increase	Baht	(1.16) million

3. Cash flow from financing activity, net cash used in Baht 34.67 million has essence transaction as follows:

- Bank overdrafts and short-term loans from financial institutions decrease by	Baht	(51.77) million
- Long-term loan from financial institutions increase by	Baht	20.00 million
- Paid long-term loan from financial institutions	Baht	(2.35) million

Please be informed accordingly.

Sincerely yours,

(Ms. Huai Hui, Lee)  
Chief Operating Officer