



No. SAPPE 009/2023

23 June 2023

**Subject:** Resolution of the Board of Directors' Meeting concerning the assets acquisition for investment project for constructions of manufacturing plant and warehouse building, and installation of machinery for beverage production in Lam Luk Ka District, Pathum Thani Province

**To:** President  
The Stock Exchange of Thailand

According to the Board of Directors' Meeting of Sappe Public Company Limited (the "Company") No.5/2023 held on June 22, 2023, the meeting has passed a resolution to approve the acquisition of assets for investment project for constructions of manufacturing plant and warehouse building, and installation of machinery for beverage production with yearly capacity of 66,000 tons and space for 2 additional production lines, totaling 3 production lines with total maximum production capacity of 242,500 tons per year. The new plant is located at Lam Luk Ka District, Pathum Thani Province on the land owned by the Company. The maximum investment in this new project is totaled at 1,630 million baht.

In entering into this transaction, the Company has considered the acquisition of assets according to the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 "Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets" and the Notification of the Board of Governors of the Stock Exchange of Thailand ("SET"), "Disclosure of Information and other Acts of Listed Companies concerning the Acquisition and Disposition of Assets B.E.2547 (Notification of Acquisition or Disposition of Assets)". The total value of such transaction is 1,630 million baht equivalent to 32.39% according to the criteria of the total value of the consideration paid or received of the Company's reviewed consolidated financial statements ended 31 March 2023. The Company has other asset acquisition transactions that occurred within the previous 6 months, the size of the acquisition at 13.91%, resulting in a total transaction size of 46.31%, which is classified as a transaction type 2 according to the Acquisition or Disposition of Assets for the transaction higher than 15% but less than 50% of total assets. Therefore, the Company shall proceed with the disclosure report of this transaction to the SET and send the circular notice to shareholders within 21 days from the notification date to the SET.



In addition, the Company is in the process of selecting contracting parties. If those parties are connected person, the Company shall comply with the connected transactions rules for the listed companies accordingly.

The Company would like to submit information regarding the acquisition of assets with the following details:



**Information memorandum regarding the Asset Acquisition for  
investment project for constructions of manufacturing plant and warehouse building,  
and installation of machinery for beverage production in  
Lam Luk Ka District, Pathum Thani Province**

**1. The date, month and year entering the transaction**

The Company will enter the transaction after the resolution has been passed to approve the assets acquisition in the Board of Directors' Meeting No. 5/2023 on June 22, 2023.

**2. The parties of contract and the relationship with the Company**

**1) Manufacturing Plant**

- Building construction and facility system

Buyer: Sappe Public Company Limited

Contractor: Under the selection process

The process is expected to be completed within the fourth quarter and if the parties are connected persons, the Company shall comply with the connected transactions rules for the listed companies accordingly.

- Machine, equipment, and manufacturing support equipment

Buyer: Sappe Public Company Limited

Seller: Companies (both local and international) that conduct such business in general, which is now under the selection process.

The process is expected to be completed within the fourth quarter and if the parties are connected persons, the Company shall comply with the connected transactions rules for the listed companies accordingly.

**2) Warehouse**

- Building warehouse and facility system

Buyer: Sappe Public Company Limited

Contractor: Under the selection process

The process is expected to be completed within the third quarter and if the parties are connected persons, the Company shall comply with the connected transactions rules for the listed companies accordingly.

- Machine, equipment, and warehouse management support equipment

Buyer: Sappe Public Company Limited



Seller: Companies (both local and international) that conduct such business in general, which is now under the selection process.

The process is expected to be completed within the third quarter and if the parties are connected persons, the Company shall comply with the connected transactions rules for the listed companies accordingly.

### 3. General Information, Value and Size of the Transactions

The maximum value of the investment in a constructions of manufacturing plant and warehouse building, including the installation of the facilities system, together with the value of the machine, equipment, manufacturing support equipment, warehouse management support equipment, tools and fixtures, and other expenses, is totaled at 1,630 million baht or equal to 32.39% of the Company’s total assets, according to the Company’s reviewed consolidated financial statement ended 31 March 2023. The Company has other asset acquisition transactions that occurred within the previous 6 months, the size of the acquisition at 13.91%, resulting in a total transaction size of 46.31%, which is classified as a transaction type 2 according to the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 “Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets”. Details of the calculation method are as follows:

#### Calculation of asset acquisition transaction size

Items from Consolidated financial statements as of 31 March 2023	Value (Unit: million baht)
Net Tangible Assets: NTA <sup>1</sup>	3,317.26
Net profit (loss)	262.97
Total assets	5,032.32

*Remark: <sup>1</sup>Net tangible assets (NTA) means Total assets – Intangible assets – Total liabilities – non-controlling interests (if any) (Intangible assets, such as goodwill, deferred expenses, etc. Except for the intangible assets that generate the main income, such as concession etc.)*

#### Criteria used in the calculation as follows:

Criteria used in the calculation	Calculation formula	Transaction size (%)
1. Value of the net tangible assets	$((\text{NTA of investment in the company} \times \text{Proportion of assets acquired or disposed}) \times 100) / \text{NTA of the Company}$	Unable to calculate because it is not an investment in other businesses



Criteria used in the calculation	Calculation formula	Transaction size (%)
2. Net operating profits	$((\text{Net operating profits of the investment} \times \text{Buying or selling ratio}) \times 100) / \text{Net operating profits of the Company}$	Unable to calculate because it is not an investment in other businesses
3. Total value of consideration paid or received	$(\text{Value of transaction paid or received} \times 100) / \text{Total assets of the Company}$	<b>46.31</b>
4. Value of securities issued for the payment of assets	$(\text{Equity shares issued for the payment of assets} \times 100) / \text{Paid-up shares of the Company}$	Unable to calculate because the Company does not issue shares

Since this transaction of Assets acquisition is higher than 15% but less than 50% of total assets, the Company shall proceed with the disclosure report of this transaction to the Stock Exchange of Thailand (“SET”) and send the circular notice to shareholders within 21 days from the day that the Company has notified the SET.

#### 4. Details of the Project

The purpose of the investment project for the Company’s constructions of manufacturing plant and warehouse building, and installation of machinery for beverage production is to expand the production capacity to support an increase in customer orders at present and as forecast in the future. The plant will be built on the land owned by the Company located in Lam Luk Ka District, Pathum Thani Province.

The new manufacturing plant will have a yearly production capacity of 66,000 tons whereas additional investment in 2 production lines, a total of 3 production lines, within the said building could be considered in the future subject to market conditions. The construction for the plant and warehouse, as well as the installation of machines will be completed in about 18-20 months, and it is expected that the operations will be commenced in the second quarter of 2025.

#### 5. Total value of the consideration in acquiring the assets

The maximum value of the constructions of manufacturing plant and warehouse building, and installation of machinery for beverage production is totaled at 1,630 million baht, consisting of:

- 1) Manufacturing plant, facility system, machinery, and manufacturing support equipment:** 1,500 million baht

**Payment Term:** Advance payment according to the agreement and installment payments according to the progress of work, with credit term of 60 – 120 days.



**2) Warehouse building, facility system, machinery, and warehouse management support equipment:**

130 million baht

**Payment Term:** Advance payment according to the agreement and installment payments according to the progress of work, with credit term of 60 – 120 days.

**6. The total value of the assets acquisition and the method to determine the transaction value**

The maximum value of the investment is 1,630 million baht including:

**1) Manufacturing plant and infrastructure**

• Design, civil work, construction cost	695	million baht
• Machinery, equipment, and manufacturing support equipment	805	million baht
<b>Total</b>	<b><u>1,500</u></b>	<b>million baht</b>

**2) Warehouse**

• Design, civil work, construction cost	36	million baht
• Machinery, equipment, and warehouse management support equipment	94	million baht
<b>Total</b>	<b><u>130</u></b>	<b>million baht</b>
<b>Total value of the consideration in acquiring the assets</b>	<b><u>1,630</u></b>	<b>million baht</b>

**7. Expected benefits of the investment**

1) Additional production capacity of 66,000 tons per year, expanded from the current 160,000 tons per year, to support the increasing demand of customers which continues growing according to the high growth of the global food and beverage industry.

2) Increase in production and warehouse management efficiency through the investment in high technology & automated machinery for higher production efficiency, labor cost reduction, and production cost improvement.

**8. Sources of funds :** Internal cash flow from the Company's operations.

**9. Condition on entering the transaction**

The transaction is classified as Type “2” according to the transaction size calculation method and the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 “Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets”, dated August 31, 2008. The Notification of the



SET, “Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E.2547”, dated October 29, 2004, requires that the Company disclose information concerning the Acquisition of Assets to the SET and send the circular notice to shareholders within 21 days from the notification date to the SET.

**10. Board of Directors’ opinion regarding entering the transaction**

The Board of Directors has passed a resolution approving the entering into the transaction for the Acquisition of Assets for investment project for constructions of manufacturing plant and warehouse building, and installation of machinery for beverage production. The investment in the new capacity will enhance the Company’s business potential in the long term and will bring the best benefits to the Company and its shareholders.

**11. Opinions of the directors which differ from those of the Board of Directors in (10)**

-None-

The Company certifies that this information is true in all respects and has already passed the Company’s Board of Director Approval from Board of Director Meeting No.5/2023 on June 22, 2023. However, if there are any changes, the notification will be made accordingly.

Please be informed accordingly.

Sincerely Yours,

Sappe Public Company Limited

Ms. Piyajit Ruckariyapong  
(Chief Executive Officer)