



No. SAPPE 002/2024

1 March 2024

Subject: Resolution of the Board of Directors' Meeting concerning the assets acquisition for Investment Project for Beverage Production Machinery 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.3/2024 held on March 1, 2024, the meeting has passed a resolution to approve the acquisition of assets for investment project for installation of a new machinery for beverage production with yearly capacity of 66,000 tons. The new machine will be installed at the current factory 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 750.0 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 750 million baht, equivalent to 13.20% according to the criteria of the total value of the consideration paid or received of the Company's reviewed consolidated financial statements ended 31 December 2023. The Company has other asset acquisition transactions that occurred within the previous 6 months, the size of the acquisition at 7.77%, resulting in a total transaction size of 20.97%, 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 Beverage Production Machinery**

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. 3/2024 on March 1, 2024.

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

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.

3. General Information, Value and Size of the Transactions

The maximum value of the investment will include a new machine, equipment, manufacturing support equipment, tools and fixtures, and other expenses, totaled at 750 million baht or equal to 13.20% of the Company's total assets, according to the Company's reviewed consolidated financial statement ended 31 December 2023. The Company has other asset acquisition transactions that occurred within the previous 6 months, the size of the acquisition at 7.77%, resulting in a total transaction size of 20.97%, 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 December 2023	Value (Unit: million baht)
Net Tangible Assets: NTA ¹	3,608.66
Net profit (loss)	1,050.52
Total assets	5,680.24

Remark: ¹Net 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
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	$(\text{Value of transaction paid or received} \times 100) / \text{Total assets of the Company}$	13.20
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 investment project aims to increase beverage production capacity to meet current and projected future increases in customer demand. It will be constructed on company-owned land in the former factory area of Lam Luk Ka District, Pathum Thani Province.

The new factory may consider expanding investment in additional machinery in the future, potentially adding another production line, resulting in a total of three production lines within the building, depending on market conditions. The process of studying, designing, purchasing, hiring, and installing machinery is expected to take approximately 18 to 24 months. Construction is anticipated to be completed, and production is expected to commence in the first quarter of 2026.

5. Total value of the consideration in acquiring the assets

The total value of the investment project does not exceed 750 million baht, with payment terms specified in the contract agreement. Payments will be made in advance according to the contract agreement, with subsequent installments based on the progress of construction operations, and adhering to a credit term of 60 to 120 days for each seller.



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

The machinery investment project for beverage production has a total value not exceeding 750 million baht, primarily allocated to main machinery, equipment, and production support. A portion of the budget will be dedicated to factory building renovations, installation of utilities, and warehouse improvements.

7. Expected benefits of the investment

Enhance production capacity by approximately 66,000 tons per year to meet the escalating demands of current and anticipated future customers, aligned with the expansion of the global food and beverage industry.

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’ meeting resolved to approve the asset acquisition transaction for the beverage production machinery project. This investment is deemed to enhance the company’s long-term business potential, aligning with the best interests of both 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.3/2024 on March 1, 2024. 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)