Sappe Public Company Limited
and its Subsidiaries

Condensed Interim financial statements
for the three-month and six-month periods ended
30 June 2020
and
Independent auditor's review report

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Independent auditor's report on review of interim financial information

To the Board of Directors of Sappe Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Sappe Public Company Limited and its subsidiaries, and of Sappe Public Company Limited, respectively, as at 30 June 2020; the consolidated and separate statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2020 and the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 2020; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Information".

(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
13 August 2020

KPMG Phoomchai Audit Ltd., a Thai limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
Assets	*Note*	2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current assets					
Cash and cash equivalents		370,595	181,695	315,670	124,387
Trade accounts receivable	*5, 14*	345,869	352,869	331,219	334,595
Other current receivables	*5*	48,705	40,949	46,089	42,868
Short-term loans to related parties	*5*	-	-	5,610	7,650
Inventories		224,372	216,897	198,559	188,977
Other current financial assets	*14*	862,420	1,132,132	862,420	1,132,132
Other current assets		30,056	19,335	17,628	18,666
Total current assets		**1,882,017**	**1,943,877**	**1,777,195**	**1,849,275**
Non-current assets					
Investment in associates	*6*	24,242	29,744	-	-
Investment in subsidiaries	*7*	-	-	290,162	290,162
Other non-current financial assets	*14*	50,000	100,000	50,000	100,000
Property, plant and equipment	*8*	1,071,558	1,133,840	919,705	973,006
Right-of-use assets	*8*	78,997	-	69,147	-
Goodwill	*4*	90,899	90,899	-	-
Intangible assets other than goodwill		53,158	56,063	43,478	46,518
Deferred tax assets		15,380	14,957	15,288	14,921
Other non-current assets	*5*	9,321	20,587	5,352	5,369
Total non-current assets		**1,393,555**	**1,446,090**	**1,393,132**	**1,429,976**
Total assets		**3,275,572**	**3,389,967**	**3,170,327**	**3,279,251**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020 (Unaudited)	31 December 2019	30 June 2020 (Unaudited)	31 December 2019
		(in thousand Baht)			
Current liabilities					
Bank overdrafts	*14*	968	-	-	-
Trade accounts payable	*5*	170,645	182,075	171,407	179,784
Other current payables	*5, 9*	268,480	366,348	250,108	345,159
Current portion of long-term borrowings from financial institution		82	103	-	-
Short-term borrowings from related parties	*5*	9,121	10,975	-	-
Current portion of lease liabilities *(2019: Current portion of finance lease liabilities)*		28,376	6,504	11,336	-
Current income tax payable		39,652	36,700	39,574	36,596
Total current liabilities		**517,324**	**602,705**	**472,425**	**561,539**
Non-current liabilities					
Long-term borrowings from financial institution		-	29	-	-
Lease liabilities *(2019: Finance lease liabilities)*		72,406	12,448	62,842	-
Deferred tax liabilities		2,271	2,571	-	-
Non-current provisions for employee benefits		23,738	20,303	23,268	19,955
Other non-current liabilities	*5*	8,491	8,141	-	-
Total non-current liabilities		**106,906**	**43,492**	**86,110**	**19,955**
Total liabilities		**624,230**	**646,197**	**558,535**	**581,494**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
Liabilities and equity	*Note*	2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Equity					
Share capital					
Authorised share capital					
(308,438 ordinary shares, par value at Baht 1 per share)		308,438	308,438	308,438	308,438
Issued and paid-up share capital					
(304,378 ordinary shares, par value at Baht 1 per share)		304,378	304,378	304,378	304,378
Share premium on ordinary shares		975,608	975,608	975,608	975,608
Warrants	*10*	24,348	20,931	24,348	20,931
Retained earnings					
Legal reserve		30,844	30,844	30,844	30,844
Unappropriated		1,217,897	1,312,462	1,276,614	1,365,996
Difference arising from common control transactions		(4,365)	(4,365)	-	-
Currency translation differences		6,717	7,337	-	-
Equity attributable to owners of the parent		**2,555,427**	**2,647,195**	**2,611,792**	**2,697,757**
Non-controlling interests		95,915	96,575	-	-
Total equity		**2,651,342**	**2,743,770**	**2,611,792**	**2,697,757**
Total liabilities and equity		**3,275,572**	**3,389,967**	**3,170,327**	**3,279,251**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Three-month period ended 30 June		Three-month period ended 30 June	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Revenue					
Revenue from sale of goods	*5, 11*	704,413	921,270	647,021	863,297
Other income	*5*	11,915	14,174	11,252	10,346
Net foreign exchange gain		11,869	2,798	14,710	5,431
Total revenues		**728,197**	**938,242**	**672,983**	**879,074**
Expenses					
Cost of sales of goods		454,889	573,193	406,525	524,219
Distribution costs	*5*	93,658	108,351	87,492	99,470
Administrative expenses	*5*	74,563	75,464	69,026	67,209
Total expenses		**623,110**	**757,008**	**563,043**	**690,898**
Profit from operating activities		**105,087**	**181,234**	**109,940**	**188,176**
Finance costs	*5*	(831)	(354)	(533)	-
Reversal of impairment loss determined in accordance with TFRS 9	*14*	2,531	-	3,994	-
Share of loss of associates accounted for using equity method	*6, 11*	(2,397)	(9,779)	-	-
Profit before income tax expense		**104,390**	**171,101**	**113,401**	**188,176**
Tax expense		22,741	37,352	22,652	37,377
Profit for the period		**81,649**	**133,749**	**90,749**	**150,799**
Profit (loss) attributable to:					
Owners of the parent		82,753	135,711	90,749	150,799
Non-controlling interests		(1,104)	(1,962)	-	-
Profit for the period		**81,649**	**133,749**	**90,749**	**150,799**
Earnings per share *(in Baht)*					
Basic earnings per share		**0.27**	**0.45**	**0.30**	**0.50**
Diluted earnings per share		**0.27**	**0.45**	**0.30**	**0.50**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended 30 June		Three-month period ended 30 June	
	2020	2019	2020	2019
	(in thousand Baht)			
Profit for the period	**81,649**	**133,749**	**90,749**	**150,799**
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translating financial statements	2,307	2,272	-	-
Items that will not be reclassified to profit or loss				
Gains on remeasurements of defined benefit plans	-	525	-	525
Other comprehensive income for the period, net of tax	**2,307**	**2,797**	**-**	**525**
Total comprehensive income for the period	**83,956**	**136,546**	**90,749**	**151,324**
Total comprehensive income attributable to:				
Owners of the parent	84,886	138,404	90,749	151,324
Non-controlling interests	(930)	(1,858)	-	-
	83,956	**136,546**	**90,749**	**151,324**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Six-month period ended 30 June		Six-month period ended 30 June	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Revenue					
Revenue from sale of goods	*5, 11*	1,534,459	1,696,358	1,388,129	1,572,171
Other income	*5*	26,220	25,709	24,765	23,647
Gain from changes in interest in associate	*4*	-	10,082	-	-
Net foreign exchange gain		-	2,104	-	4,893
Total revenues		**1,560,679**	**1,734,253**	**1,412,894**	**1,600,711**
Expenses					
Cost of sales of goods		988,325	1,059,531	867,553	962,934
Distribution costs	*5*	199,663	206,908	185,664	191,168
Administrative expenses	*5*	149,620	140,959	136,348	128,067
Net foreign exchange loss		13,731	-	14,809	-
Total expenses		**1,351,339**	**1,407,398**	**1,204,374**	**1,282,169**
Profit from operating activities		**209,340**	**326,855**	**208,520**	**318,542**
Finance costs	*5*	(1,694)	(582)	(1,081)	-
Reversal of impairment loss determined in accordance with TFRS 9	*14*	3,692	-	4,391	-
Share of loss of associates accounted for using equity method	*6, 11*	(5,502)	(10,034)	-	-
Profit before income tax expense		**205,836**	**316,239**	**211,830**	**318,542**
Tax expense		41,186	64,712	41,326	63,505
Profit for the period		**164,650**	**251,527**	**170,504**	**255,037**
Profit (loss) attributable to:					
Owners of the parent		164,764	250,962	170,504	255,037
Non-controlling interests		(114)	565	-	-
Profit for the period		**164,650**	**251,527**	**170,504**	**255,037**
Earnings per share *(in Baht)*					
Basic earnings per share		**0.54**	**0.82**	**0.56**	**0.84**
Diluted earnings per share		**0.54**	**0.82**	**0.56**	**0.84**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
	2020	2019	2020	2019
	(in thousand Baht)			
Profit for the period	**164,650**	**251,527**	**170,504**	**255,037**
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translating financial statements	(744)	2,687	-	-
Items that will not be reclassified to profit or loss				
Gains on remeasurements of defined benefit plans	-	525	-	525
Other comprehensive income for the period, net of tax	**(744)**	**3,212**	**-**	**525**
Total comprehensive income for the period	**163,906**	**254,739**	**170,504**	**255,562**
Total comprehensive income attributable to:				
Owners of the parent	164,144	253,887	170,504	255,562
Non-controlling interests	(238)	852	-	-
	163,906	**254,739**	**170,504**	**255,562**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Consolidated financial statements										
					Retained earnings		Other components of equity					
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Warrants	Legal reserve	Unappropriated	Difference arising from common control transactions	Translating foreign operations	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
							(in thousand Baht)					
Six-month period ended 30 June 2019												
Balance at 1 January 2019		**304,368**	**975,343**	**9,069**	**30,844**	**1,109,704**	**(4,365)**	**3,424**	**(941)**	**2,428,387**	**(4,846)**	**2,423,541**
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
Share-based payment transactions	*10*	-	-	5,917	-	-	-	-	-	5,917	-	5,917
Dividends	*13*	-	-	-	-	(200,830)	-	-	-	(200,830)	-	(200,830)
Total contributions by and distributions to owners of the parent		**-**	**-**	**5,917**	**-**	**(200,830)**	**-**	**-**	**-**	**(194,913)**	**-**	**(194,913)**
Changes in ownership interests in subsidiaries												
Acquisition of non-controlling interests with a change in control		-	-	-	-	-	-	-	-	-	97,122	97,122
Total changes in ownership interests in subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**97,122**	**97,122**
Total transactions with owners, recorded directly in equity		**-**	**-**	**5,917**	**-**	**(200,830)**	**-**	**-**	**-**	**(194,913)**	**97,122**	**(97,791)**
Comprehensive income for the period												
Profit		-	-	-	-	250,962	-	-	-	250,962	565	251,527
Other comprehensive income		-	-	-	-	525	-	2,400	2,400	2,925	287	3,212
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**251,487**	**-**	**2,400**	**2,400**	**253,887**	**852**	**254,739**
Balance at 30 June 2019		**304,368**	**975,343**	**14,986**	**30,844**	**1,160,361**	**(4,365)**	**5,824**	**1,459**	**2,487,361**	**93,128**	**2,580,489**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Consolidated financial statements										
					Retained earnings		Other components of equity					
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Warrants	Legal reserve	Unappropriated	Difference arising from common control transactions	Translating foreign operations	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
							(in thousand Baht)					
Six-month period ended 30 June 2020												
Balance at 31 December 2019 - as reported		**304,378**	**975,608**	**20,931**	**30,844**	**1,312,462**	**(4,365)**	**7,337**	**2,972**	**2,647,195**	**96,575**	**2,743,770**
Impact of changes in accounting policies	*3*	-	-	-	-	(6,762)	-	-	-	(6,762)	(422)	(7,184)
Balance at 1 January 2020		**304,378**	**975,608**	**20,931**	**30,844**	**1,305,700**	**(4,365)**	**7,337**	**2,972**	**2,640,433**	**96,153**	**2,736,586**
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
Share-based payment transactions	*10*	-	-	3,417	-	-	-	-	-	3,417	-	3,417
Dividends	*13*	-	-	-	-	(252,567)	-	-	-	(252,567)	-	(252,567)
Total contributions by and distributions to owners of the parent		**-**	**-**	**3,417**	**-**	**(252,567)**	**-**	**-**	**-**	**(249,150)**	**-**	**(249,150)**
Total transactions with owners, recorded directly in equity		**-**	**-**	**3,417**	**-**	**(252,567)**	**-**	**-**	**-**	**(249,150)**	**-**	**(249,150)**
Comprehensive income for the period												
Profit or loss		-	-	-	-	164,764	-	-	-	164,764	(114)	164,650
Other comprehensive income		-	-	-	-	-	-	(620)	(620)	(620)	(124)	(744)
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**164,764**	**-**	**(620)**	**(620)**	**164,144**	**(238)**	**163,906**
Balance at 30 June 2020		**304,378**	**975,608**	**24,348**	**30,844**	**1,217,897**	**(4,365)**	**6,717**	**2,352**	**2,555,427**	**95,915**	**2,651,342**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Separate financial statements					
					Retained earnings		
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Warrants	Legal reserve	Unappropriated	Total equity
		(in thousand Baht)					
Six-month period ended 30 June 2019							
Balance at 1 January 2019		**304,368**	**975,343**	**9,069**	**30,844**	**1,147,406**	**2,467,030**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share-based payment transactions	*10*	-	-	5,917	-	-	5,917
Dividends	*13*	-	-	-	-	(200,830)	(200,830)
Total contributions by and distributions to owners		**-**	**-**	**5,917**	**-**	**(200,830)**	**(194,913)**
Comprehensive income for the period							
Profit		-	-	-	-	255,037	255,037
Other comprehensive income		-	-	-	-	525	525
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**255,562**	**255,562**
Balance at 30 June 2019		**304,368**	**975,343**	**14,986**	**30,844**	**1,202,138**	**2,527,679**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Separate financial statements					
					Retained earnings		
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Warrants	Legal reserve	Unappropriated	Total equity
		(in thousand Baht)					
Six-month period ended 30 June 2020							
Balance at 31 December 2019 - as reported		**304,378**	**975,608**	**20,931**	**30,844**	**1,365,996**	**2,697,757**
Impact of changes in accounting policies	*3*	-	-	-	-	(7,319)	(7,319)
Balance at 1 January 2020		**304,378**	**975,608**	**20,931**	**30,844**	**1,358,677**	**2,690,438**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share-based payment transactions	*10*	-	-	3,417	-	-	3,417
Dividends	*13*	-	-	-	-	(252,567)	(252,567)
Total contributions by and distributions to owners		**-**	**-**	**3,417**	**-**	**(252,567)**	**(249,150)**
Comprehensive income for the period							
Profit		-	-	-	-	170,504	170,504
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**170,504**	**170,504**
Balance at 30 June 2020		**304,378**	**975,608**	**24,348**	**30,844**	**1,276,614**	**2,611,792**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Six-month period ended 30 June		Six-month period ended 30 June	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Cash flows from operating activities					
Profit for the period		164,650	251,527	170,504	255,037
Adjustments to reconcile profit to cash receipts (payments)					
Tax expense		41,186	64,712	41,326	63,505
Finance costs		1,694	582	1,081	-
Depreciation		99,632	89,433	87,180	80,207
Amortisation		2,861	3,744	2,788	3,692
Reversal of impairment loss recognised in profit or loss	*14*	(3,692)	-	(4,391)	-
Bad and doubtful debts expenses (reversal)		-	545	-	(402)
Losses on inventories devaluation (reversal)		1,951	(201)	937	122
Unrealised loss (gain) on foreign exchange		2,465	(1,343)	2,177	(500)
Unrealised gain from current investments revaluation		(4,763)	(4,579)	(4,763)	(4,579)
Loss (gain) on sale of current investments		2,828	(2,751)	2,828	(2,751)
Gain from changes in interest in associate	*4*	-	(10,082)	-	-
Loss (gain) on sale of plant and equipment		485	592	(514)	-
Loss on write off of other intangible assets		1,217	-	1,217	-
Share of loss of investments in associates accounted for using equity method, net of tax		5,502	10,034	-	-
Non-current provisions for employee benefits		3,875	5,782	3,753	5,702
Share-based payment	*10*	3,417	5,917	3,417	5,917
Interest income		(2,406)	(901)	(2,659)	(1,193)
Dividend income		(457)	-	(457)	-
		320,445	413,011	304,424	404,757
Changes in operating assets and liabilities					
Trade accounts receivable		6,570	(184,967)	3,457	(209,565)
Other receivables		(8,373)	(13,115)	(4,748)	(20,885)
Inventories		(9,426)	15,119	(10,519)	13,940
Other current assets		(10,721)	(2,381)	1,038	(2,907)
Other non-current assets		11,266	84	17	(67)
Trade accounts payable		(11,446)	99,208	(8,393)	106,057
Other current payables		(93,663)	(24,912)	(93,308)	(12,536)
Other non-current liabities		244	-	-	-
Foreign currency translation differences of subsidiaries		(598)	2,414	-	-
Net cash generated from operating		204,298	304,461	191,968	278,794
Provisions for employee benefits paid		(440)	(565)	(440)	(565)
Tax paid		(36,912)	(28,144)	(36,886)	(27,750)
Net cash from operating activities		**166,946**	**275,752**	**154,642**	**250,479**

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month period ended 30 June		Six-month period ended 30 June	
		2020	2019	2020	2019
		(in thousand Baht)			
Cash flows from investing activities					
Payment on investments in subsidiaries		-	-	-	(68,000)
Acquisition of subsidiary, net of cash acquired	*4*	-	6,571	-	-
Acquisition of associate	*6*	-	(25,000)	-	-
Acquisition of current investments		(1,362,152)	(650,000)	(1,362,152)	(650,000)
Proceeds from sale of current investments		1,633,799	750,000	1,633,799	750,000
Acquisition of other long-term investments		-	(50,000)	-	(50,000)
Proceeds from sale of other long-term investments		50,000	-	50,000	-
Acquisition of plant and equipment		(34,685)	(48,162)	(30,392)	(45,884)
Proceeds from sale of plant and equipment		709	186	523	-
Acquisition of other intangible assets		(2,566)	(1,904)	(1,041)	(1,054)
Proceeds from repayment of loans to related parties	*5*	-	-	2,040	-
Dividends received		457	-	457	-
Interest received		1,735	901	2,551	901
Net cash from (used in) investing activities		**287,297**	**(17,408)**	**295,785**	**(64,037)**
Cash flows from financing activities					
Proceeds from bank overdrafts		968		-	-
Repayment of bank overdrafts		-	(948)	-	-
Repayment of short-term borrowings		(1,960)	-	-	-
Repayment of long-term borrowings		(50)	(39)	-	-
Payment of lease liabilities *(2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)*		(9,301)	(2,540)	(5,496)	-
Dividends paid to owners of the Company	*13*	(252,567)	(200,830)	(252,567)	(200,830)
Interest paid		(2,433)	(942)	(1,081)	-
Net cash used in financing activities		**(265,343)**	**(205,299)**	**(259,144)**	**(200,830)**
Net increase (decrease) in cash and cash equivalents		**188,900**	**53,045**	**191,283**	**(14,388)**
Cash and cash equivalents at 1 January		181,695	172,637	124,387	159,559
Cash and cash equivalents at 30 June		**370,595**	**225,682**	**315,670**	**145,171**
Non-cash transactions					
Outstanding payables for purchases of property, plant and equipment		2,029	7,706	1,762	7,549
Outstanding payables for purchases of intangible assets		367	337	19	337

The accompanying notes from an integral part of the interim financial statements.

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2020 (Unaudited)

Note	Contents
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17	Treasury shares
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These notes form an integral part of the financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 13 August 2020.

1 General information

The principal activities of the Company are manufacturing and distributing health drinking and food products. The principal activities of the Group are manufacturing and distributing health drinking, food and coconut products.

Details of subsidiaries and associates as at 30 June 2020 and 31 December 2019 were as following;

Name of company	Nature of business	Country of incorporation /Nationality	Ownership interest (%)	
			30 June 2020	31 December 2019
Direct subsidiaries				
Sappe Europe s.r.o.	Distributing health drinking product	Slovakia	60	60
Sappe Holding (Thailand) Co., Ltd.	Group management service	Thailand	100	100
Indirect subsidiaries				
Sappe Trading (HongKong) Company Limited	Import, export and distribution of goods	Hong Kong	100	100
Sappe Hong Kong Company Limited	Group management service	Hong Kong	100	100
Sappe Trading (Shanghai) Co., Ltd.	Distributing health drinking product	People's Republic of China	100	100
All Coco Group Co., Ltd. with subsidiaries as follows :	Producing and distributing coconut products	Thailand	51	51
- All Coco Co., Ltd.	Distributing coconut products	Thailand	51	51
- K Best Farm Co., Ltd.	Providing and distributing domestic fresh coconut	Thailand	51	51
Indirect associate				
Danone Sappe Beverages Co., Ltd.	Distributing health drinking product	Thailand	25	25

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting;* guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

The Group has initially applied TFRS - Financial instruments standards and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS as described in note 3.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follows:

		Consolidated financial statements		**Separate financial statements**	
		Retained earnings	Other components of equity	Retained earnings	Other components of equity
	Note	*(in thousand Baht)*			
At 31 December 2019 - as reported		1,312,462	2,972	1,365,996	-
Increase (decrease) due to:					
Adoption of TFRS - Financial instruments standards					
Classification of financial instruments	*A(1)*	(1,264)	-	(1,264)	-
Impairment losses on financial assets	*A(2)*	(2,502)	-	(3,380)	-
Related tax		976	-	928	-
Adoption of TFRS 16 - net of tax	*B*	(3,972)	-	(3,603)	-
At 1 January 2020 - restated		**1,305,700**	**2,972**	**1,358,677**	**-**

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS – Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

Under TFRS 9, derivatives are measured at FVTPL. Previously, the Group recognised the derivatives when they were exercised.

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group's financial assets and financial liabilities as at 1 January 2020.

	Consolidated financial statements		
	Classification under previous standards at 31 December 2019	Classification under TFRS 9 at 1 January 2020	
	Carrying amounts	Fair value through profit or loss	Amortised cost - net
		(in thousand Baht)	
Cash and cash equivalents	181,695	-	181,695
Trade and other receivables	393,818	-	391,261
Other financial assets			
- Deposits at financial institutions	100,000	-	100,000
- Debt instruments available for sale	1,132,132	1,132,132	-
- Derivative assets	2,514	1,250	-
Total other financial assets	**1,234,646**	**1,133,382**	**100,000**
Total	**1,810,159**	**1,133,382**	**672,956**
Trade and other payables	548,423	-	548,423
Long-term borrowings from financial institutions	132	-	132
Loan from related parties	10,975	-	10,975
Total	**559,530**	-	**559,530**

	Separate financial statements		
	Classification under previous standards at 31 December 2019	Classification under TFRS 9 at 1 January 2020	
	Carrying amounts	Fair value through profit or loss	Amortised cost - net
		(in thousand Baht)	
Cash and cash equivalents	124,387	-	124,387
Trade and other receivables	377,463	-	374,083
Loan to related parties	7,650	-	7,650
Other financial assets			
- Deposits at financial institutions	100,000	-	100,000
- Debt instruments available for sale	1,132,132	1,132,132	-
- Derivative assets	2,514	1,250	-
Total other financial assets	**1,234,646**	**1,133,382**	**100,000**
Total	**1,744,146**	**1,133,382**	**606,120**
Trade and other payables	524,943	-	524,943
Total	**524,943**	**-**	**524,943**

(2) Impairment - Financial assets and contract assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments.

The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

	Consolidated financial statements	**Separate financial statements**
	(in thousand Baht)	
Allowance for impairment losses at 31 December 2019		
Allowance for doubtful debts – trade accounts receivable	1,356	227
Allowance for doubtful debts – other receivables	1,535	13,682
Allowance for doubtful debts – short-term borrowings from related parties	-	7,892
	2,891	**21,801**
Additional impairment loss recognised at 1 January 2020 on:		
- Trade accounts receivable	204	30
- Other receivables	2,353	3,350
Allowance for impairment losses at 1 January 2020	**5,448**	**25,181**

The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:
- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

Impact from the adoption of TFRS 16	**Consolidated financial statements**	**Separate financial statements**
	(in thousand Baht)	
At 1 January 2020		
Increase in property, plant and equipment	85,723	75,170
Increase in deferred tax assets	1,082	901
Increase in lease liabilities	(91,131)	(79,674)
Decrease in retained earnings	3,972	3,603

Measurement of lease liability	**Consolidated financial statements**	**Separate financial statements**
	(in thousand Baht)	
Operating lease commitment as disclosed at 31 December 2019	17,798	10,786
Operating lease commitment - related parties at 31 December 2019	61,014	48,352
Recognition exemption for short-term leases	(10,635)	(5,755)
Extension and termination options reasonably certain to be exercised	41,055	38,626
	109,232	**92,009**
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	91,131	79,674
Finance lease liabilities recognised as at 31 December 2019	18,952	-
Lease liabilities recognised at 1 January 2020	**110,083**	**79,674**
Weighted-average incremental borrowing rate *(% per annum)*	**0.14 - 0.37**	**0.14 - 0.29**

Right-of-use assets and lease liabilities shown above were presented as part of health drinking products and coconut products segments, respectively.

4 Acquisition of subsidiary

In 2016, the Group invested in 40% of the issued and paid-up capital of All Coco Group Co., Ltd. which producing and distributing coconut products. All Coco Group Co., Ltd. thereby became an associate of the Group. Later, on 1 February 2019, the Group had control over All Coco Group Co., Ltd., by acquiring 11% of the shares and voting interest, which the consideration consisted of a cash payment of Baht 42.35 million, affecting to the percentage of holding interest of the Group increased from 40% to 51% and managements of Sappe Public Company Limited had been appointed as All Coco Group's board of directors.

Taking control of All Coco Group Co., Ltd. will enable the Group presence in the coconut drink business since All Coco Group Co., Ltd. has a strong foothold in the aromatic coconut market, especially a strong network of fresh coconut suppliers, which could guarantee a supply of high quality fresh coconuts. The acquisition is expected to provide the Group with an increase in growth opportunities in the soft-drink business in Thailand and worldwide.

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Identifiable assets acquired and liabilities assumed	**Fair value** *(in thousand Baht)*
Cash and cash equivalents	48,921
Trade accounts receivable	32,746
Other current receivables	6,321
Inventories	15,059
Other current assets	257
Property, plant and equipment	171,659
Intangible assets other than goodwill	5,416
Other non-current assets	15,355
Trade accounts payable	(6,690)
Other current payables	(29,652)
Short-term borrowings	(21,000)
Tax payable	(1,212)
Long-term borrowing from financial institutions	(220)
Lease liabilities	(23,865)
Deferred tax liabilities	(2,140)
Non-current provisions for employee benefit	(188)
Other non-current liabilities	(4,000)
Total identifiable net assets	**206,767**
Less: Non-controlling interests (49%)	101,316
Total identifiable net assets received	**105,451**
Less: Fair value of previously-held interests before business combination	154,000
Less: Purchase consideration transferred	42,350
Goodwill arising from the acquisition	**90,899**
Net cash acquired with the subsidiary	48,921
Cash paid	42,350
Net cash inflows	6,571

Goodwill

The remeasurement to fair value of the Group's existing 40 percent interest in the acquiree resulted in a gain of Baht 10.08 million (Baht 154.00 million less Baht 143.92 million carrying value of equity-accounted investee at acquisition date), which has been recognised in gain from changes in interest in associate in the statement of comprehensive income.

Goodwill is attributable mainly to the skills and technical talent of All Coco Group Co., Ltd.'s work force and cooperation for business of coconut products, which is health drinks as Group's products. None of the goodwill recognised is expected to be deductible for income tax purposes.

5 Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 1, 6 and 7. Other Related parties which have material changes in relationships and that the Group had significant transactions during the period with were as follows:

Name of entities	Country of incorporation	Nature of relationships
Hose Center Company Limited	Thailand	Common major shareholder

Significant transactions for the three-month and six-month periods ended 30 June with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 30 June	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries				
Sales of goods	-	-	-	349
Purchase of goods	-	-	13,108	3,717
Other income	-	-	-	30
Interest income	-	-	138	145
Distribution costs and administrative expenses	-	-	102	266
Associate				
Sales of goods	-	11,394	-	11,394
Purchase of goods	49,212	67,147	49,212	67,147
Other income	2,783	297	2,783	297
Other related parties				
Sales of goods	1,172	1,921	-	-
Purchases of machinery and equipment	-	385	-	385
Other income	64	84	64	84
Rental and other expenses	32	1,919	32	1,919
Consultant fee	300	300	300	300
Distribution costs and administrative expenses	22	26	17	18
Interest expense	70	63	-	-
Key management personnel compensation				
Short-term employee benefit and others	14,161	14,051	14,161	14,051
Long-term employee benefits	555	545	555	545
Share-based payments	437	760	437	760

	Consolidated financial statements		Separate financial statements	
Six-month period ended 30 June	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries				
Sales of goods	-	-	-	1,058
Purchase of goods	-	-	19,217	3,933
Other income	-	-	-	30
Interest income	-	-	283	291
Distribution costs and administrative expenses	-	-	147	337
Associate				
Sales of goods	5,621	38,922	5,621	38,922
Purchase of goods	84,460	93,855	84,460	93,855
Other income	5,792	547	5,792	547
Other related parties				
Sales of goods	1,928	3,070	3	-
Purchases of machinery and equipment	45	420	45	420
Other income	399	177	399	177
Rental and other expenses	48	3,820	48	3,820
Consultant fee	600	600	600	600
Distribution costs and administrative expenses	30	64	17	50
Interest expense	142	124	-	-
Key management personnel compensation				
Short-term employee benefit and others	28,325	28,358	28,325	28,358
Long-term employee benefits	1,107	1,090	1,107	1,090
Share-based payments	875	1,512	875	1,512

Intercompany sales to and purchase from associates described above excluded co-packing and distribution with an indirect associate of Baht 28.32 million and 59.34 million for the three-month and six-month period ended 30 June 2020, respectively. *(2019: Baht 53.71 million and 76.10 million, respectively).*

Balances as at 30 June 2020 and 31 December 2019 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
Trade accounts receivable	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiary				
Sappe Europe s.r.o.	-	-	-	1,392
Associate				
Danone Sappe Beverages Co., Ltd.	19,841	14,385	19,841	14,385
Other related parties				
Hayashi Products Co., Ltd.	1	-	1	-
On Fifth Co., Ltd.	-	1	-	1
Italmarket Slovakia, a.s.	609	499	-	-
	20,451	**14,885**	**19,842**	**15,778**
Less allowance for impairment *(2019: allowance for doubtful accounts)*	-	-	-	-
Net	**20,451**	**14,885**	**19,842**	**15,778**

Trade accounts receivable	Consolidated financial statements 2020	Consolidated financial statements 2019	Separate financial statements 2020	Separate financial statements 2019
	(in thousand Baht)			
Reversal of impairment losses *(2019 : Bad and doubtful debts)* for the:				
- Three-month period ended 30 June	(22)	-	(22)	-
- Six-month period ended 30 June	-	-	-	-

Other receivables	Consolidated financial statements 30 June 2020	Consolidated financial statements 31 December 2019	Separate financial statements 30 June 2020	Separate financial statements 31 December 2019
	(in thousand Baht)			
Subsidiaries				
Sappe Europe s.r.o.	-	-	2,501	2,274
Sappe Trading (Shanghai) Co., Ltd.	-	-	10,005	9,874
Sappe Holding (Thailand) Co., Ltd.	-	-	833	833
Sappe Trading (Hong kong) Company Limited	-	-	204	204
All Coco Group Co., Ltd.	-	-	1,051	1,938
All Coco Co., Ltd.	-	-	4	290
Associate				
Danone Sappe Beverages Co., Ltd.	3,125	10,323	3,125	10,323
Other related party				
Hayashi Products Co., Ltd.	26	34	26	34
	3,151	10,357	17,749	25,770
Less allowance for impairment *(2019: allowance for* doubtful *accounts)*	-	-	(12,558)	(12,148)
Net	**3,151**	**10,357**	**5,191**	**13,622**

	2020	2019	2020	2019
	(in thousand Baht)			
(Reversal of) impairment losses *(2019: Bad and doubtful debts)* for the:				
- Three-month period ended 30 June	(881)	-	(1,889)	35
- Six-month period ended 30 June	(1,303)	-	(1,890)	111

	Interest rate		Separate financial statements				
Loans to	At 31 December 2019	At 30 June 2020	At 31 December 2019	Increase	Decrease	Foreign currency difference	At 30 June 2020
	(% per annum)		*(in thousand Baht)*				
Subsidiaries							
Sappe Europe s.r.o.	4	4	7,892	-	-	225	8,117
All Coco Group Co., Ltd.	3.2	3.2	4,590	-	(1,530)	-	3,060
All Coco Co., Ltd.	3.2	3.2	3,060	-	(510)	-	2,550
Total			**15,542**				**13,727**
Less allowance for impairment *(2019: allowance for doubtful accounts)*			(7,892)				(8,117)
Net			**7,650**				**5,610**

	2020	2019
	(in thousand Baht)	
(Reversal of) impairment losses *(2019: Bad and doubtful debts)* of loans to for the:		
- Three-month period ended 30 June	(303)	(183)
- Six-month period ended 30 June	225	(513)

	Consolidated financial statements		Separate financial statements	
Other non-current assets	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(in thousand Baht)			
Other related parties				
Directors	1,167	1,167	1,167	1,167
Group of Persons Ruckariyapong	1,063	1,063	1,063	1,063
Total	**2,230**	**2,230**	**2,230**	**2,230**

	Consolidated financial statements		Separate financial statements	
Trade accounts payable	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(in thousand Baht)			
Subsidiary				
All Coco Group Co., Ltd.	-	-	6,780	2,509
Associate				
Danone Sappe Beverages Co., Ltd.	30,398	42,806	30,398	42,806
Total	**30,398**	**42,806**	**37,178**	**45,315**

Other payables	Consolidated financial statements 30 June 2020	Consolidated financial statements 31 December 2019	Separate financial statements 30 June 2020	Separate financial statements 31 December 2019
	(in thousand Baht)			
Subsidiary				
All Coco Group Co., Ltd.	-	-	10	314
Other related parties				
Italmarket Slovakia, a.s.	562	520	-	-
Toyox Trading (Thailand) Co., Ltd.	22	3	22	3
3T Engineering Co., Ltd	-	281	-	281
Director	5	349	-	-
Key management personnel	5	349	-	-
Total	**594**	**1,502**	**32**	**598**

Loans from	Interest rate 31 December 2019	Interest rate 30 June 2020	Consolidated financial statements 31 December 2019	Increase	Decrease	Foreign currency differences	30 June 2020
	(% per annum)		*(in thousand Baht)*				
Other related parties							
Italmarket Slovakia, a.s.	2	2	2,699	-	-	77	2,776
Director	0 - 3.2	0 - 3.2	4,518	-	(980)	25	3,563
Key management personnel	3.2	3.2	3,675	-	(980)	-	2,695
Other related parties	-	-	83	-	-	4	87
Total			**10,975**				**9,121**

Other non-current liability	Consolidated financial statements 30 June 2020	Consolidated financial statements 31 December 2019	Separate financial statements 30 June 2020	Separate financial statements 31 December 2019
	(in thousand Baht)			
Other related party				
Director	**3,785**	**3,679**	-	-

The memorandum of association of a subsidiary states that the subsidiary has to pay dividends from net profit of Euro 109,076.03 to a shareholder. The first gainer is a shareholder and then the rest of the profit will be allocated according to the proportion of the investment held. As of 30 June 2020, the management considered to recognise a provision following the regulations of the subsidiary of Baht 3.79 million *(31 December 2019: Baht 3.68 million)* under "Other non-current liabilities" in the consolidated financial statements.

Significant agreements with related parties

The Group has land and building lease agreements with related parties, and from 1 January 2020, the Group has initially applied TFRS 16 that affect the related parties transaction balance as at 30 June 2020 and for the three-month and six-month periods ended 30 June 2020 as follows:

At 30 June 2020	**Consolidated financial statements**	**Separate financial statements**
	(in thousand Baht)	
Other related parties		
Right-of-use assets	40,284	33,987
Lease liabilities	(44,862)	(37,792)

Three-month period ended 30 June 2020	**Consolidated financial statements**	**Separate financial statements**
	(in thousand Baht)	
Other related parties		
Depreciation	1,863	1,803
Finance costs	352	274

Six-month period ended 30 June 2020	**Consolidated financial statements**	**Separate financial statements**
	(in thousand Baht)	
Other related parties		
Depreciation	3,727	3,606
Finance costs	712	556

6 Investment in associate

						Consolidated financial statements					
	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend Income for the six-month periods ended	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	30 June 2019
		(%)				(in thousand Baht)					
Indirect associate											
Danone Sappe Beverages Co., Ltd.	Distributing health drinking product	25	25	200,000	200,000	50,000	50,000	24,242	29,744	-	-
Total						**50,000**	**50,000**	**24,242**	**29,744**	**-**	**-**

None of the Group's associates are publicly listed and consequently do not have published price quotations.

Acquisitions

In July 2019, Danone Sappe Beverages Co., Ltd. registered its share capital from Baht 100 million to Baht 200 million by issuing share capital to Baht 100 million (1,000,000 shares at Baht 100 per share). Sappe Holding (Thailand) Co., Ltd., a subsidiary has paid-up share capital amounting to Baht 25 million. The percentage of holding interest of the Group remains unchanged. Danone Sappe Beverages Co., Ltd. registered the increase of share capital with the Ministry of Commerce on 31 July 2019.

Reclassification to subsidiary

In February 2019, the Company made an additional investment in 11 percent of the issued and paid up capital of All Coco Group Co., Ltd., increasing the Group's interest to 51 percent. All Coco Group Co., Ltd. thereby ceased to be an associated company and became a subsidiary. Details of the acquisition are given in note 4.

The Group has an option to purchase additional shares in the maximum portion of 9% of All Coco Group Co., Ltd.'s registered shares within 4 years after the effective date of the first sales and purchase of shares agreement, at the fair value

In this connection, the Company recognised gain on remeasurement of previously held-equity investment in All Coco Group Co., Ltd. of Baht 10.08 million in the statement of comprehensive income for the period ended 30 June 2019.

7 Investments in subsidiaries

	Ownership interest		Paid-up capital		Separate financial statements: Cost		Impairment		At cost - net		Dividend income for the six-month periods ended	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	30 June 2019
	(%)				(in thousand Baht)							
Direct subsidiaries												
Sappe Europe s.r.o.	60	60	EUR 6,639		162	162	-	-	162	162	-	-
Sappe Holding (Thailand) Co., Ltd.	100	100	Baht 290 million		290,000	290,000	-	-	290,000	290,000	-	-
Total					**290,162**	**290,162**	-	-	**290,162**	**290,162**	-	-
Indirect subsidiaries												
Sappe Trading (Hong Kong) Company Limited	100	100	HKD 100,000		454	454	(454)	(454)	-	-	-	-
Sappe Hong Kong Company Limited	100	100	HKD 3,000,000		13,980	13,980	(13,980)	(13,980)	-	-		
Sappe Trading (Shanghai) Co., Ltd.	100	100	CNY 2,000,000		10,173	10,173	(10,173)	(10,173)	-	-	-	-
All Coco Group Co., Ltd.	51	51	Baht 168 million		196,350	196,350	-	-	196,350	196,350	-	-
Total					**220,957**	**220,957**	**(24,607)**	**(24,607)**	**196,350**	**196,350**	-	-

Details of the increase of investment in subsidiaries from business acquisition during the year ended 31 December 2019 are disclosed in note 4.

In 2016, the Group sold its entire interest in PT. Sappe Indonesia, a subsidiary, of 2,550 shares or 51% equity ownership in PT. Sappe Indonesia. The Group has an option to repurchase 51% of PT. Sappe Indonesia issued and paid-up share capital. The option can be exercised within 3 years but no later than 5 years after the disposal date. The repurchase price will be Baht 82.03 million. In the case that PT. Sappe Indonesia increase its share capital, the repurchase price will be determined by financial due diligence performed by an independence financial advisor. However, the management does not plan to exercise this option at 30 June 2020.

8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment exclude right-of-use assets during the six-month period ended 30 June 2020 were as follows:

	Consolidated financial statements		**Separate financial statements**	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	(in thousand Baht)			
Land and land improvement	7,097	-	7,097	-
Buildings and building improvement	7,792	-	7,764	-
Machinery and equipment	14,422	(48)	13,782	-
Furniture, fixtures and office equipment	1,366	(1,145)	920	(9)
Vehicles	3,593	(2)	3,593	-
Assets under construction and installation	17,362	(20,068)	14,441	(19,732)
Total	**51,632**	**(21,263)**	**47,597**	**(19,741)**

Movement of right-of-use assets recognised as property, plant and equipment is as follows:

		Consolidated financial statements	**Separate financial statements**
Right-of-use assets		Land and buildings	Land and buildings
	Note	*(in thousand Baht)*	
At 1 January 2020	*3*	85,723	75,170
Less depreciation		(6,726)	(6,023)
At 30 June 2020		**78,997**	**69,147**

9 Other current payables

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(in thousand Baht)			
Accrued interest expense - related parties	5	572	698	-	-
Other payables - related parties	5	22	804	32	598
Accrued promotional expense		111,157	144,738	111,157	144,738
Accrued expenses		74,990	111,732	68,213	102,301
Other payables - other parties		60,528	79,781	55,782	73,950
Advance received		14,021	17,802	12,269	15,150
Other financial liabilities - derivative liabilities		574	-	574	-
Others		6,616	10,793	2,081	8,422
Total		**268,480**	**366,348**	**250,108**	**345,159**

10 Warrants

Expenses for share-based payment transactions in the consolidated and separate financial statements for the six-month period ended 30 June 2020 were Baht 3.42 million (*2019: Baht 5.92 million*) and the three-month period ended 30 June 2020 were Baht 1.71 million (*2019: Baht 2.98 million*).

Movements during the six-month periods ended 30 June 2020 and 2019 of warrants were as follows:

Six-month period ended 30 June	**Consolidated / Separate financial statements**			
	2020		2019	
	Average exercise price per share *(Baht)*	Option shares *(in thousand shares)*	Average exercise price per share *(Baht)*	Option shares *(in thousand shares)*
At 1 January	7.72	4,060	7.72	4,070
At 30 June	**7.72**	**4,060**	**7.72**	**4,070**

11 Segment information and disaggregation of revenue

	Consolidated financial statements											
	Health drinking products		Coconut products		Other segments		Total		Eliminate		Net	
Three-month period ended 30 June	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(in thousand Baht)											
Information about reportable segments												
External revenues	647,021	862,948	51,858	50,797	5,534	7,525	704,413	921,270	-	-	704,413	921,270
Inter-segment revenue	-	349	13,209	3,983	-	-	13,209	4,332	(13,209)	(4,332)	-	-
Total revenue	**647,021**	**863,297**	**65,067**	**54,780**	**5,534**	**7,525**	**717,622**	**925,602**	**(13,209)**	**(4,332)**	**704,413**	**921,270**
Disaggregation of revenue												
Primary geographical markets												
Thailand	270,023	328,590	65,067	53,314	-	-	335,090	381,904	(13,209)	(3,983)	321,881	377,921
Indonesia and Philippines	108,043	200,671	-	-	-	-	108,043	200,671	-	-	108,043	200,671
Korea	66,781	91,975	-	472	-	-	66,781	92,447	-	-	66,781	92,447
Others	202,174	242,061	-	994	5,534	7,525	207,708	250,580	-	(349)	207,708	250,231
Total revenue	**647,021**	**863,297**	**65,067**	**54,780**	**5,534**	**7,525**	**717,622**	**925,602**	**(13,209)**	**(4,332)**	**704,413**	**921,270**
Major products												
Drinks	535,800	783,621	50,468	46,926	5,534	7,525	591,802	838,072	(2,246)	(4,332)	589,556	833,740
Others	111,221	79,676	14,599	7,854	-	-	125,820	87,530	(10,963)	-	114,857	87,530
Total revenue	**647,021**	**863,297**	**65,067**	**54,780**	**5,534**	**7,525**	**717,622**	**925,602**	**(13,209)**	**(4,332)**	**704,413**	**921,270**
Timing of revenue recognition												
At a point in time	**647,021**	**863,297**	**65,067**	**54,780**	**5,534**	**7,525**	**717,622**	**925,602**	**(13,209)**	**(4,332)**	**704,413**	**921,270**
Share of loss of investments in associates	(2,397)	(9,779)	-	-	-	-	(2,397)	(9,779)	-	-	(2,397)	(9,779)
Segment profit (loss) before income tax	111,004	178,397	(1,810)	(3,639)	(3,438)	(3,521)	105,756	171,237	(1,366)	(136)	104,390	171,101

	Consolidated financial statements											
	Health drinking products		Coconut products		Other segments		Total		Eliminate		Net	
Six-month period ended 30 June	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
						(in thousand Baht)						
Information about reportable segments												
External revenues	1,388,129	1,571,113	137,376	112,882	8,954	12,363	1,534,459	1,696,358	-	-	1,534,459	1,696,358
Inter-segment revenue	-	1,058	19,363	4,270	-	-	19,363	5,328	(19,363)	(5,328)	-	-
Total revenue	**1,388,129**	**1,572,171**	**156,739**	**117,152**	**8,954**	**12,363**	**1,553,822**	**1,701,686**	**(19,363)**	**(5,328)**	**1,534,459**	**1,696,358**
Disaggregation of revenue												
Primary geographical markets												
Thailand	556,503	634,822	156,739	113,928	-	-	713,242	748,750	(19,363)	(4,270)	693,879	744,480
Indonesia and Philippines	356,911	392,890	-	-	-	-	356,911	392,890	-	-	356,911	392,890
Korea	106,495	140,103	-	1,034	-	-	106,495	141,137	-	-	106,495	141,137
Others	368,220	404,356	-	2,190	8,954	12,363	377,174	418,909	-	(1,058)	377,174	417,851
Total revenue	**1,388,129**	**1,572,171**	**156,739**	**117,152**	**8,954**	**12,363**	**1,553,822**	**1,701,686**	**(19,363)**	**(5,328)**	**1,534,459**	**1,696,358**
Major products												
Drinks	1,167,064	1,368,736	132,631	99,774	8,954	12,363	1,308,649	1,480,873	(4,434)	(5,328)	1,304,215	1,475,545
Others	221,065	203,435	24,108	17,378	-	-	245,173	220,813	(14,929)	-	230,244	220,813
Total revenue	**1,388,129**	**1,572,171**	**156,739**	**117,152**	**8,954**	**12,363**	**1,553,822**	**1,701,686**	**(19,363)**	**(5,328)**	**1,534,459**	**1,696,358**
Timing of revenue recognition												
At a point in time	**1,388,129**	**1,572,171**	**156,739**	**117,152**	**8,954**	**12,363**	**1,553,822**	**1,701,686**	**(19,363)**	**(5,328)**	**1,534,459**	**1,696,358**
Share of loss of investments in associates	(5,502)	(10,034)	-	-	-	-	(5,502)	(10,034)	-	-	(5,502)	(10,034)
Segment profit (loss) before income tax	206,328	308,509	499	2,660	(422)	5,461	206,405	316,630	(569)	(391)	205,836	316,239
Segment assets as at 30 June / 31 December	3,170,327	3,279,251	259,696	272,823	153,892	146,718	3,583,915	3,698,792	(308,343)	(308,825)	3,275,572	3,389,967
Segment liabilities as at 30 June / 31 December	558,535	581,494	62,515	66,860	41,848	36,565	662,898	684,919	(38,668)	(38,722)	624,230	646,197

Three-month period ended 30 June	Separate financial statements Reportable segments 2020	2019
	(in thousand Baht)	
Disaggregation of revenue		
Primary geographical markets		
Thailand	270,023	328,590
Indonesia and Philippines	108,043	200,671
Korea	66,781	91,975
Others	202,174	242,061
Total revenue	**647,021**	**863,297**
Major products		
Drinks	535,800	783,621
Others	111,221	79,676
Total revenue	**647,021**	**863,297**
Timing of revenue recognition		
At a point in time	**647,021**	**863,297**

Six-month period ended 30 June	Separate financial statements Reportable segments 2020	2019
	(in thousand Baht)	
Disaggregation of revenue		
Primary geographical markets		
Thailand	556,503	634,822
Indonesia and Philippines	356,911	392,890
Korea	106,495	140,103
Others	368,220	404,356
Total revenue	**1,388,129**	**1,572,171**
Major products		
Drinks	1,167,064	1,368,736
Others	221,065	203,435
Total revenue	**1,388,129**	**1,572,171**
Timing of revenue recognition		
At a point in time	**1,388,129**	**1,572,171**

12 Leases

	Consolidated financial statements		Separate financial statements	
For the period ended 30 June 2020	Three-month period	Six-month period	Three-month period	Six-month period
	(in thousand Baht)			
Recognised in profit or loss				
Interest on lease liabilities	727	1,502	532	1,080
Expenses relating to short-term leases	7,593	11,578	6,589	9,276

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for the six-month period ended 30 June 2020 were Baht 10.67 million and Baht 6.58 million, respectively.

13 Dividends

The dividends paid by the Group to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share *(Baht)*	Amount *(in thousand Baht)*
2020				
Interim dividend	26 March 2020	April 2020	**0.83**	**252,567**
2019				
Annual dividend	18 April 2019	May 2019	**0.66**	**200,830**

14 Financial instruments

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements						
	Carrying amount			Fair value			
At 30 June 2020	Fair value through profit or loss	Amortised cost - net	Total	Level 1	Level 2	Level 3	Total
			(in thousand Baht)				
Financial assets							
Other financial assets							
Deposits at financial institutions	-	50,000	50,000	50,000	-	-	50,000
Debt instruments held for trading	862,420	-	862,420	-	862,420	-	862,420
Total other financial assets	**862,420**	**50,000**	**912,420**				
Financial liabilities							
Bank overdrafts	-	(968)	(968)	-	(968)	-	(968)
Borrowings from financial institutions	-	(82)	(82)	-	(82)	-	(82)
Loans from related parties	-	(9,121)	(9,121)	-	(8,932)	-	(8,932)
Derivatives liabilities	(574)	-	(574)	-	(574)	-	(574)

	Separate financial statements						
	Carrying amount			Fair value			
At 30 June 2020	Fair value through profit or loss	Amortised cost - net	Total	Level 1	Level 2	Level 3	Total
			(in thousand Baht)				
Financial assets							
Loans to related parties	-	5,610	5,610	-	5,559	-	5,559
Other financial assets							
Deposits at financial institutions	-	50,000	50,000	50,000	-	-	50,000
Debt instruments held for trading	862,420	-	862,420	-	862,420	-	862,420
Total other financial assets	**862,420**	**50,000**	**912,420**				
Financial liabilities							
Derivative liabilities	(574)	-	(574)	-	(574)	-	(574)

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair Value Level 2	Carrying amount	Fair Value Level 2
	(in thousand Baht)			
31 December 2019				
Financial assets measured at fair value				
Debt securities held for trading	1,132,132	1,132,132	1,132,132	1,132,132
Financial assets not measured at fair value				
Foreign currency forward contract	2,514	1,250	2,514	1,250

Financial instruments measured at fair value

Type	**Valuation technique**
Forward exchange contracts	*Forward pricing:* The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Derivatives	*In cases where there is an active market*, the Group uses the market value as the fair value of derivatives. *In cases where there is no active market*, simple over-the-counter derivative are derived by using a valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.
Debt securities held for trading	The net asset value as of the reporting date.

Impairment loss

Impairment on cash and cash equivalents was measured on a 12-month ECLs. The Group considers that cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Allowance for impairment loss for trade receivables and contract assets are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions.

	Consolidated financial statements			Separate financial statements		
At 30 June 2020	Trade accounts receivables (carrying amounts) *(in thousand Baht)*	Weighted average loss rate *(%)*	Allowance for impairment losses *(in thousand Baht)*	Trade accounts receivables (carrying amounts) *(in thousand Baht)*	Weighted average loss rate *(%)*	Allowance for impairment losses *(in thousand Baht)*
Within credit terms	230,272	0 - 0.03	2	220,942	-	-
Overdue:						
Less than 3 months	110,701	0 - 0.38	1	107,913	-	-
3 - 6 months	4,499	0 - 48.51	20	2,053	-	-
6 - 12 months	698	0 - 100	579	88	-	-
Over than 12 months	1,338	0 - 100	1,037	223	-	-
Total	**347,508**		**1,639**	**331,219**		**-**
Less allowance for impairment	(1,639)			-		
Net	**345,869**			**331,219**		

Trade accounts receivables	**Consolidated financial statements**	**Separate financial statements**
	(in thousand Baht)	
At 31 December 2019		
Within credit terms	204,705	194,295
Overdue:		
Less than 3 months	138,823	131,225
3 - 6 months	9,341	9,075
6 - 12 months	233	227
Over than 12 months	1,123	-
	354,225	**334,822**
Less allowance for doubtful accounts	(1,356)	(227)
Net	**352,869**	**334,595**

The normal credit term granted by the Group ranges from 30 days to 60 days.

Allowance for impairment - simplified approach	*Note*	**Consolidated financial statements**	**Separate financial statements**
		(in thousand Baht)	
At 1 January 2020 - restated	*3*	5,448	25,181
Additions		80	226
Reversals		(3,772)	(4,617)
At 30 June 2020		**1,756**	**20,790**

Impairment loss of financial assets for the periods ended 30 June 2020	Consolidated financial statements		Separate financial statements	
	Three-month period	Six-month period	Three-month period	Six-month period
	(in thousand Baht)			
Recognised in profit or loss				
(Reversal of) impairment loss of trade accounts receivables	(228)	80	(382)	(258)
Reversal of impairment loss of other receivables	(2,303)	(3,772)	(3,310)	(4,359)
(Reversal of) impairment loss of loans to related parties	-	-	(302)	226
Total	**(2,531)**	**(3,692)**	**(3,994)**	**(4,391)**

Exposure to liquidity risk

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

		Consolidated financial statements				
			Contractual cash flows			
At 30 June 2020	Carrying amount	At Call	Within 1 year	1 – 5 years	More than 5 years	Total
			(in thousand Baht)			
Non-derivative financial liabilities						
Bank overdrafts	968	(968)	-	-	-	(968)
Trade payables	170,645	(170,645)	-	-	-	(170,645)
Loans from financial institutions	82	-	(82)	-	-	(82)
Lease liabilities	100,782	-	(28,376)	(33,287)	(39,119)	(100,782)
	272,477	**(171,613)**	**(28,458)**	**(33,287)**	**(39,119)**	**(272,477)**
Derivative financial liabilities						
Forward exchange contracts						
- Cash outflow	574	-	(231,697)	-	-	(231,697)
- Cash inflow	-	-	231,123	-	-	231,123
	574	**-**	**(574)**	**-**	**-**	**(574)**

		Separate financial statements				
			Contractual cash flows			
At 30 June 2020	Carrying amount	At Call	Within 1 year	1 – 5 years	More than 5 years	Total
			(in thousand Baht)			
Non-derivative financial liabilities						
Trade payables	171,407	(171,407)	-	-	-	(171,407)
Lease liabilities	74,178	-	(11,336)	(30,372)	(32,470)	(74,178)
	245,585	**(171,407)**	**(11,336)**	**(30,372)**	**(32,470)**	**(245,585)**

			Separate financial statements			
			Contractual cash flows			
At 30 June 2020	Carrying amount	At Call	Within 1 year	1 – 5 years	More than 5 years	Total
			(in thousand Baht)			
Derivative financial liabilities						
Forward exchange contracts						
- Cash outflow	574	-	(231,697)	-	-	(231,697)
- Cash inflow	-	-	231,123	-	-	231,123
	574	**-**	**(574)**	**-**	**-**	**(574)**

Exposure to foreign currency risk

	Consolidated financial statements				
At 30 June 2020	USD	EUR	HKD	CNY	Total
		(in thousand Baht)			
Cash and Cash equivalents	83	14	11,304	583	11,984
Trade accounts receivables	24,873	10,716	-	-	35,589
Other receivables	541	3,061	-	2,159	5,761
Interest-bearing liabilities	-	(4,948)	-	-	(4,948)
Trade payables	-	(533)	-	-	(533)
Other payables	(3,949)	(6,077)	(66)	(164)	(10,256)
Net forecast transaction exposure	**21,548**	**2,233**	**11,238**	**2,578**	**37,597**
Forward exchange selling contracts	(574)	-	-	-	(574)
Net exposure	**20,974**	**2,233**	**11,238**	**2,578**	**37,023**

	Separate financial statements		
At 30 June 2020	USD	EUR	Total
		(in thousand Baht)	
Cash and Cash equivalents	63	1	64
Trade accounts receivables	24,873	4,790	29,663
Other receivables	541	-	541
Other payables	(3,687)	(90)	(3,777)
Net forecast transaction exposure	**21,790**	**4,701**	**26,491**
Forward exchange selling contracts	(574)	-	(574)
Net exposure	**21,216**	**4,701**	**25,917**

15 Commitments with non-related parties

At 30 June 2020	Consolidated financial statements	Separate financial statements
	(in thousand Baht)	
Capital commitments		
Machinery, equipment and other constructions	11,250	8,714
Total	**11,250**	**8,714**
Other commitments		
Bank guarantees	10,616	10,616
Total	**10,616**	**10,616**

16 Contingent liabilities

As at 30 June 2020, the Company has been sued by a former oversea distributor in the amount of CNY 3.15 million (Baht 13.78 million). The Company have won in the federal court. Presently, the case is under the appeal of the distributor. However, the Company has set aside provision of Baht 0.89 million *(31 December 2019: Baht 0.86 million)* for liability that may arise as a result of this case, based on the opinion of their management and legal department.

17 Treasury shares

At the Board of Directors' meeting of the Company held on 16 June 2020, the Board of directors of the Company approved the share repurchase program for financial management purpose in accordance with the Section 66/1(2) of the Public Company Limited Act in the amount not exceeding Baht 150.0 million. The number of ordinary shares to be repurchased is not exceeding 7.5 million shares (par value of Baht 1 per share); equal to 2.46% of the total number of paid-up share capital of the Company. In this regard, the Company shall repurchase its ordinary shares through the main board of the Stock Exchange of Thailand during the period from 1 July 2020 to 30 December 2020. The Board of Directors shall determine the share resale procedures after 6 months from the completion date of share repurchase. However, the last date to resale such repurchase shares shall not be later than 30 December 2023.

18 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible. At 30 June 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, these financial statements exclude the factors from the situation.