

**Sappe Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2023
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Sappe Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Sappe Public Company Limited and its subsidiaries (the "Group") and of Sappe Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statement of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statement as a whole, and in forming our opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories	
Refer to Notes 3 (g) and 7 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
As there is high competition in both local and overseas markets for health and functional drinks, new products are continuously launched to attract customers and fulfil their changing needs. Consequently, the products of the Group and the Company have short lives, their sales and selling prices are subject to the market situation, and long-outstanding inventories may result. The Group's and the Company's inventories are stated at the lower of cost and net realisable value which involves management's judgment. This is an area of focus in my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Inquiry of the management to obtain an understanding of the Group's and the Company's policy in relation to setting provision for inventories and reviewing the Group's and the Company's compliance with this policy; - Understanding and evaluating the design and effectiveness of internal controls relevant to inventory management and attending inventory counts and observing the condition of inventories; - Testing the accuracy of inventory aging by checking samples to relevant supporting documents; - Testing the valuation of inventories by comparing their costs against their expected net realisable values less relevant selling expenses, and checking samples of the related supporting documents; and - Considering the adequacy of disclosure in accordance with the financial reporting standard.
Accrued promotional expenses	
Refer to Notes 3 (o) and 13 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
There is high competition in both local and overseas markets for health and functional drinks. The Group offers customers several types of promotional offers to compete with its competitors. The Group has accrued promotional expenses for these offers based on statistical information, and management's judgment on the behaviour of both local and overseas customers, and the type of offer. This is an area of focus in my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Inquiry of the management to obtain an understanding of the Group's policy in relation to accruing promotional expenses and reviewing the Group's compliance with this policy; - Understanding and evaluating the design and effectiveness of internal controls relevant to the sales process and estimation of accrued promotional and marketing expenses; - Testing the calculation of accrued promotional expenses by checking to samples of related supporting documents; - Testing that accrued promotional expenses related to offers active as at year end and in the year by checking to samples of related supporting documents; and - Considering the adequacy of disclosure in accordance with the financial reporting standard.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Piyanat Singkhorn)
Certified Public Accountant
Registration No. 11641

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2024

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	5	554,204,035	298,805,528	488,360,925	249,988,981
Trade accounts receivable	4, 6	328,421,144	324,144,288	311,035,091	281,164,717
Other current receivables	4	313,136,685	135,355,299	322,400,494	145,057,384
Short-term loans to related parties	4	-	-	5,610,000	5,610,000
Inventories	7	437,828,001	444,457,476	416,964,468	383,903,803
Other current financial assets	23	1,977,359,045	1,829,719,197	1,977,359,045	1,829,719,197
Other current assets		44,858,492	46,800,257	44,708,034	46,505,814
Non-current assets classified as held for sale	9	-	-	-	-
Total current assets		3,655,807,402	3,079,282,045	3,566,438,057	2,941,949,896
Non-current assets					
Other non-current financial assets	23	40,588,514	66,752,211	40,588,514	66,752,211
Investment in associates	8	75,849,839	89,124,378	-	-
Investment in joint venture	8	23,328,546	30,173,997	-	-
Investment in subsidiaries	9	-	-	426,999,980	419,999,980
Property, plant and equipment	11	1,664,870,526	1,067,733,408	1,556,960,599	946,759,852
Right-of-use assets	4	52,822,916	64,211,926	44,069,178	54,785,144
Goodwill	12	90,898,858	90,898,858	-	-
Intangible assets other than goodwill		32,823,716	37,042,812	25,816,953	29,390,098
Deferred tax assets		32,304,953	26,410,724	27,447,800	26,096,297
Other non-current assets	4	10,946,094	9,696,527	5,600,218	5,431,538
Total non-current assets		2,024,433,962	1,482,044,841	2,127,483,242	1,549,215,120
Total assets		5,680,241,364	4,561,326,886	5,693,921,299	4,491,165,016

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		<i>(in Baht)</i>			
Current liabilities					
Bank overdraft	23	-	1,056,720	-	-
Trade accounts payable	4, 23	270,819,635	229,971,102	278,991,453	240,030,295
Other current payables	4, 13, 23	1,214,577,277	734,226,339	1,202,142,927	709,614,145
Short-term borrowings from related parties	4, 23	9,469,955	9,346,280	-	-
Current portion of lease liabilities	23	11,516,428	10,923,298	11,045,934	10,473,094
Current income tax payable		129,981,610	85,613,016	129,860,796	85,339,511
Current provisions for employee benefits	14	11,110,000	-	11,110,000	-
Total current liabilities		1,647,474,905	1,071,136,755	1,633,151,110	1,045,457,045
Non-current liabilities					
Lease liabilities	23	49,202,415	60,542,287	39,484,846	50,354,224
Deferred tax liabilities		1,048,224	2,970,068	-	-
Non-current provisions for employee benefits	14	82,491,983	61,817,249	80,343,745	60,334,114
Other non-current liabilities	4	4,158,532	4,806,986	-	-
Total non-current liabilities		136,901,154	130,136,590	119,828,591	110,688,338
Total liabilities		1,784,376,059	1,201,273,345	1,752,979,701	1,156,145,383

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2023	2022	2023	2022
		<i>(in Baht)</i>			
Equity					
Share capital	15				
Authorised share capital		308,289,080	308,438,080	308,289,080	308,438,080
Issued and paid-up share capital		308,289,080	308,289,080	308,289,080	308,289,080
Share premium on ordinary shares	15	1,082,229,917	1,082,229,917	1,082,229,917	1,082,229,917
Share-based payment reserve	16	5,907,085	-	5,907,085	-
Treasury shares	16	(12,565,270)	-	(12,565,270)	-
Difference arising from common control transactions		(4,365,342)	(4,365,342)	-	-
Retained earnings					
Appropriated					
Legal reserve	17	30,843,808	30,843,808	30,843,808	30,843,808
Treasury shares reserve	16	12,565,270	-	12,565,270	-
Unappropriated		2,392,263,760	1,839,295,337	2,513,671,708	1,913,656,828
Other components of equity					
currency translation differences		2,338,956	1,520,884	-	-
Equity attributable to owners of the parent		3,817,507,264	3,257,813,684	3,940,941,598	3,335,019,633
Non-controlling interests	10	78,358,041	102,239,857	-	-
Total equity		3,895,865,305	3,360,053,541	3,940,941,598	3,335,019,633
Total liabilities and equity		5,680,241,364	4,561,326,886	5,693,921,299	4,491,165,016

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Revenue					
Revenue from sale of goods	4, 18	6,052,567,585	4,566,400,225	5,813,362,582	4,317,244,159
Other income	4, 19	145,843,875	333,105,003	141,376,654	325,507,533
Net foreign exchange gain		9,298,634	-	11,508,206	-
Total revenue		6,207,710,094	4,899,505,228	5,966,247,442	4,642,751,692
Expenses					
Cost of sales of goods	7, 20	3,341,390,231	2,702,901,207	3,118,066,181	2,499,141,155
Distribution costs	20	986,386,991	982,880,716	970,286,174	961,602,065
Administrative expenses	20	512,238,340	383,269,509	473,307,701	355,113,100
Net foreign exchange loss		-	8,510,177	-	6,905,560
Total expenses		4,840,015,562	4,077,561,609	4,561,660,056	3,822,761,880
Profit from operating activities		1,367,694,532	821,943,619	1,404,587,386	819,989,812
Finance costs	4	(2,552,621)	(2,285,096)	(1,812,606)	(1,588,755)
Impairment loss determined in accordance with TFRS 9	6, 23	(19,739,921)	(3,866,481)	(714,966)	(4,332,499)
Share of profit (loss) from associates and joint venture accounted for using equity method	8	(20,119,990)	343,818	-	-
Profit before income tax expense		1,325,282,000	816,135,860	1,402,059,814	814,068,558
Tax expense		274,765,233	161,706,639	280,814,728	161,362,560
Profit for the year		1,050,516,767	654,429,221	1,121,245,086	652,705,998
Profit (loss) attributable to:					
Owners of the parent		1,074,198,630	653,151,459	1,121,245,086	652,705,998
Non-controlling interests	10	(23,681,863)	1,277,762	-	-
		1,050,516,767	654,429,221	1,121,245,086	652,705,998
Basic earnings per share	21	3.49	2.12	3.64	2.12

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Profit for the year		1,050,516,767	654,429,221	1,121,245,086	652,705,998
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		618,119	2,605,681	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Loss on remeasurements of defined benefit plans	14	-	(11,805,614)	-	(11,805,614)
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	2,361,123	-	2,361,123
Total items that will not be reclassified subsequently to profit or loss		-	(9,444,491)	-	(9,444,491)
Other comprehensive income (expense) for the year, net of tax		618,119	(6,838,810)	-	(9,444,491)
Total comprehensive income for the year		1,051,134,886	647,590,411	1,121,245,086	643,261,507
Total comprehensive income (expense) attributable to:					
Owners of the parent		1,075,016,702	646,141,952	1,121,245,086	643,261,507
Non-controlling interests	10	(23,881,816)	1,448,459	-	-
		1,051,134,886	647,590,411	1,121,245,086	643,261,507

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements													
	Note	Issued and paid-up share capital	Share premium	Warrants	Difference arising from common control transactions	Retained earnings			Other components of equity		Equity attributable to owners of the parent	Non-controlling interests	Total equity
						Legal reserve	Unappropriated reserve	Translation reserve	Equity attributable to owners of the parent	Non-controlling interests			
Year ended 31 December 2022													
Balance at 1 January 2022		306,086,680	1,021,354,110	19,029,377	(4,365,342)	30,843,808	1,533,645,297	(914,100)	2,905,679,830	100,791,398	3,006,471,228		
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners of the parent</i>													
Shares options exercised	15	2,202,400	60,875,807	(17,796,864)	-	-	-	-	45,281,343	-	45,281,343		
Share-based payment transactions	16	-	-	(1,232,513)	-	-	-	-	(1,232,513)	-	(1,232,513)		
Dividends	22	-	-	-	-	-	(338,056,928)	-	(338,056,928)	-	(338,056,928)		
Total contributions by and distributions to owners of the parent		2,202,400	60,875,807	(19,029,377)	-	-	(338,056,928)	-	(294,008,098)	-	(294,008,098)		
Total transactions with owners, recorded directly in equity		2,202,400	60,875,807	(19,029,377)	-	-	(338,056,928)	-	(294,008,098)	-	(294,008,098)		
Comprehensive income for the year													
Profit		-	-	-	-	-	653,151,459	-	653,151,459	1,277,762	654,429,221		
Other comprehensive income (expense)		-	-	-	-	-	(9,444,491)	2,434,984	(7,009,507)	170,697	(6,838,810)		
Total comprehensive income for the year		-	-	-	-	-	643,706,968	2,434,984	646,141,952	1,448,459	647,590,411		
Balance at 31 December 2022		308,289,080	1,082,229,917	-	(4,365,342)	30,843,808	1,839,295,337	1,520,884	3,257,813,684	102,239,857	3,360,053,541		

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements												
	Retained earnings				Other components of equity			Equity attributable to owners of the parent	Non-controlling interests	Total equity		
	Issued and paid-up share capital	Share premium	Share-based payment reserve	Treasury shares	Difference arising from common control transactions	Legal reserve	Treasury share reserves				Unappropriated reserve	Translation reserve
<i>Note</i>												
Year ended 31 December 2023												
Balance at 1 January 2023	308,289,080	1,082,229,917	-	-	(4,365,342)	30,843,808	-	1,839,295,337	1,520,884	3,257,813,684	102,239,857	3,360,053,541
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners of the parent</i>												
Shares options exercised	-	-	5,907,085	-	-	-	-	-	-	5,907,085	-	5,907,085
Share-based payment transactions	-	-	-	(12,565,270)	-	-	12,565,270	(12,565,270)	-	(12,565,270)	-	(12,565,270)
Dividends	-	-	-	-	-	-	-	(508,664,937)	-	(508,664,937)	-	(508,664,937)
Total contributions by and distributions to owners of the parent	-	-	5,907,085	(12,565,270)	-	-	12,565,270	(521,230,207)	-	(515,323,122)	-	(515,323,122)
Total transactions with owners, recorded directly in equity	-	-	5,907,085	(12,565,270)	-	-	12,565,270	(521,230,207)	-	(515,323,122)	-	(515,323,122)
Comprehensive income for the year												
Profit or loss	-	-	-	-	-	-	-	1,074,198,630	-	1,074,198,630	(23,681,863)	1,050,516,767
Other comprehensive income	-	-	-	-	-	-	-	-	818,072	818,072	(199,953)	618,119
Total comprehensive income for the year	-	-	-	-	-	-	-	1,074,198,630	818,072	1,075,016,702	(23,881,816)	1,051,134,886
Balance at 31 December 2023	308,289,080	1,082,229,917	5,907,085	(12,565,270)	(4,365,342)	30,843,808	12,565,270	2,392,263,760	2,338,956	3,817,507,264	78,358,041	3,895,865,305

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Warrants <i>(in Baht)</i>	Legal reserve	Unappropriated	Separate financial statements		
							Retained earnings		Total equity
Year ended 31 December 2022									
Balance at 1 January 2022		306,086,680	1,021,354,110	19,029,377	30,843,808	1,608,452,249		2,985,766,224	
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Shares options exercised	15	2,202,400	60,875,807	(17,796,864)	-	-		45,281,343	
Share-based payment transactions	16	-	-	(1,232,513)	-	-		(1,232,513)	
Dividends	22	-	-	-	-	(338,056,928)		(338,056,928)	
Total contributions by and distributions to owners		2,202,400	60,875,807	(19,029,377)	-	(338,056,928)		(294,008,098)	
Comprehensive income for the year									
Profit		-	-	-	-	652,705,998		652,705,998	
Other comprehensive income (expense)		-	-	-	-	(9,444,491)		(9,444,491)	
Total comprehensive income for the year		-	-	-	-	643,261,507		643,261,507	
Balance at 31 December 2022		308,289,080	1,082,229,917	-	30,843,808	1,913,656,828		3,335,019,633	

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements							Total equity	
	Issued and paid-up share capital	Share premium	Share-based payment reserve	Treasury shares	Retained earnings				
					Legal reserve	Treasury share reserves	Unappropriated		
<i>Note</i>									
Year ended 31 December 2023									
Balance at 1 January 2023	308,289,080	1,082,229,917	-	-	30,843,808	-	1,913,656,828	3,335,019,633	
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Shares options exercised	16	-	5,907,085	-	-	-	-	5,907,085	
Share-based payment transactions	16	-	-	(12,565,270)	-	12,565,270	(12,565,270)	(12,565,270)	
Dividends	22	-	-	-	-	-	(508,664,936)	(508,664,936)	
Total contributions by and distributions to owners			5,907,085	(12,565,270)		12,565,270	(521,230,206)	(515,323,121)	
Comprehensive income for the year									
Profit	-	-	-	-	-	-	1,121,245,086	1,121,245,086	
Total comprehensive income for the year							1,121,245,086	1,121,245,086	
Balance at 31 December 2023	308,289,080	1,082,229,917	5,907,085	(12,565,270)	30,843,808	12,565,270	2,513,671,708	3,940,941,598	

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Cash flows from operating activities					
Profit for the year		1,050,516,767	654,429,221	1,121,245,086	652,705,998
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense		274,765,233	161,706,639	280,814,728	161,362,560
Finance costs		2,552,621	2,285,096	1,812,606	1,588,755
Depreciation	11, 20	170,304,047	179,488,145	150,766,148	159,526,937
Amortisation	20	7,793,209	7,720,294	6,650,937	6,817,871
Impairment loss recognised in profit or loss		19,739,921	3,866,481	714,966	4,332,498
(Reversal of) loss on inventories devaluation		6,145,133	6,103,090	(4,773,802)	4,917,579
Unrealised (gain) loss on exchange rates		6,461,607	(4,666,985)	6,056,872	(4,322,536)
Unrealised gain from other current financial assets revaluation	23	(22,790,566)	(7,467,434)	(22,790,566)	(7,467,434)
Gain on sale of other current financial assets	23	(4,912,013)	(1,045,926)	(4,912,013)	(1,045,926)
(Gain) loss on disposal of plant and equipment		12,375,644	(824,492)	12,176,100	(1,353,949)
Share of (profit) loss of interest in associates and joint venture accounted for using equity method, net of tax		20,119,990	(343,818)	-	-
Provisions for employee benefits		32,884,734	13,915,852	32,219,631	13,439,641
Share-based payment	16	5,907,085	(1,232,513)	5,907,085	(1,232,513)
Interest income		(3,770,704)	(2,990,348)	(4,307,456)	(3,516,481)
		<u>1,578,092,708</u>	<u>1,010,943,302</u>	<u>1,581,580,322</u>	<u>985,753,000</u>
Changes in operating assets and liabilities					
Trade accounts receivable		(25,751,111)	11,210,832	(31,099,888)	32,449,251
Other current receivables		(178,335,545)	(43,690,657)	(178,175,568)	(54,552,236)
Inventories		484,342	(159,842,633)	(28,286,863)	(141,682,543)
Other current assets		1,941,765	2,707,969	1,797,780	1,978,947
Other non-current assets		(1,249,566)	(993,207)	(168,680)	(936,300)
Trade accounts payable		40,407,861	50,043,471	39,376,182	47,460,447
Other current payables		487,332,873	271,237,423	499,092,240	273,673,291
Other non-current liabilities		(516,909)	(282,856)	-	-
Foreign currency translation differences of subsidiaries		601,549	2,634,041	-	-
Net cash generated from operation		<u>1,903,007,967</u>	<u>1,143,967,685</u>	<u>1,884,115,525</u>	<u>1,144,143,857</u>
Provisions for employee benefits paid		(1,100,000)	(515,000)	(1,100,000)	(515,000)
Taxes paid		(238,212,710)	(128,500,059)	(237,644,946)	(128,098,945)
Net cash from operating activities		<u>1,663,695,257</u>	<u>1,014,952,626</u>	<u>1,645,370,579</u>	<u>1,015,529,912</u>

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
<i>Cash flows from investing activities</i>					
Payment on investments in subsidiaries	9	-	-	(7,000,000)	(30,000,000)
Acquisition of interest in joint venture	8	-	(30,000,000)	-	-
Acquisition of other current financial assets	23	(3,935,902,333)	(3,303,505,779)	(3,935,902,333)	(3,303,505,779)
Proceeds from sale of other current financial assets	23	3,835,902,333	2,853,405,779	3,835,902,333	2,853,405,779
Acquisition of other long-term investments	23	(10,629,540)	-	(10,629,540)	-
Proceeds from sale of other long-term investments	23	17,000,000	-	17,000,000	-
Acquisition of plant and equipment		(776,477,464)	(314,793,927)	(770,524,070)	(308,230,555)
Proceeds from sale of plant and equipment		1,069,659	1,579,559	1,056,075	1,538,318
Acquisition of intangible assets		(2,972,196)	(1,268,854)	(2,600,874)	(1,179,154)
Interest received		3,680,787	2,491,731	3,680,787	2,491,730
Net cash used in investing activities		(868,328,754)	(792,091,491)	(869,017,622)	(785,479,661)
<i>Cash flows from financing activities</i>					
Proceeds from bank overdrafts		(1,056,720)	(830,840)	-	-
Proceeds from exercise of share options		-	45,281,344	-	45,281,344
Payments to owners to acquire or redeem the equity's shares	16	(12,565,270)	-	(12,565,270)	-
Payment of lease liabilities		(10,746,742)	(10,990,411)	(10,296,538)	(10,244,231)
Dividend paid to owners of the Company	22	(508,664,937)	(338,056,928)	(508,664,937)	(338,056,928)
Interest paid		(2,292,665)	(2,070,721)	(1,812,606)	(1,588,755)
Net cash used in financing activities		(535,326,334)	(306,667,556)	(533,339,351)	(304,608,570)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		260,040,169	(83,806,421)	243,013,606	(74,558,319)
Effect of exchange rate changes on cash and cash equivalents		(4,641,662)	2,312	(4,641,662)	2,312
Net increase (decrease) in cash and cash equivalents		255,398,507	(83,804,109)	238,371,944	(74,556,007)
Cash and cash equivalents at 1 January		298,805,528	382,609,637	249,988,981	324,544,988
Cash and cash equivalents at 31 December	5	554,204,035	298,805,528	488,360,925	249,988,981
<i>Non-cash transactions</i>					
Outstanding payables for purchases of plant and equipment		19,743,355	26,732,059	19,539,388	26,580,354
Outstanding payables for purchases of intangible assets		769,324	147,907	624,824	147,907

The accompanying notes form an integral part of the financial statements.

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 23 February 2024.

1 General information

Sappe Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand. The Company’s registered head office and branches as follows:

Head Office : 9/3 Serithai Road, Kannayao, Kannayao District, Bangkok
Branch 1 : 71 Ramkhamhaeng Road, Huamark, Bangkapi District, Bangkok
Branch 2 : 8 Moo 7, Puech-udom, Lamlukka District, Pathumthani

The principal activities of the Company are manufacturing and distributing health drinking and food product. The principal activities of the Group are manufacturing and distributing health drinking, food and coconut products. Details of subsidiaries, associates and joint venture as at 31 December 2023 and 2022 were as following;

Name of company	Nature of business	Country of incorporation /Nationality	Ownership interest (%)	
			2023	2022
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.	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
Sappe Philippines Corporation	Distributing health drinking product	Philippines	100	-
Indirect associates				
Danone Sappe Beverages Co., Ltd.	Distributing health drinking product	Thailand	25	25
M Intelligence Co., Ltd.	Distributing digital transformation products	Thailand	16.21	16.21
Indirect joint venture				
WOPE Co., Ltd.	Distributing candy and coffee products	Thailand	60	60

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in notes 3, have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint venture.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint venture using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint venture are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group other than those with entities under common control. Expenses in connection with a business combination are recognised as incurred.

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The Group elect to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combination under common control is accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder’s equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

(b) *Investments in subsidiaries, associates and joint venture*

Investments in subsidiaries, associates and joint venture in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group’s right to receive payment is established. If the Group disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) *Foreign currencies*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss.

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Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rate at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity until disposal of the investment.

(d) Financial instruments

(d.1) Classification and Recognition

Financial assets and financial liabilities (except trade accounts receivables (see note 3 (f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; or fair value to profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, a financial liability is measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(d.2) Derecognition and Offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivatives are recognised at fair value and remeasured at the end of each reporting period. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(d.4) Impairment of financial assets other than trade accounts receivables

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial assets as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.5) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) *Trade accounts receivable*

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) *Inventories*

Inventories are measured at the lower of cost and net realisable value. Cost is calculated as follows:

Finished goods	- at standard cost which approximates current production cost, at weighted average cost.
Work in progress	- at standard cost which includes raw materials, variable labour and manufacturing overhead costs and
Raw materials, spare parts, factory supplies and others	- at weighted average cost.

Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) *Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Difference between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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Depreciation is calculated based on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Land improvement	5 - 15	years
Buildings and building improvement	5 - 20	years
Machinery and equipment	3 - 15	years
Furniture, fixtures and office equipment	3 - 20	years
Vehicles	5	years

(i) Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment

(j) Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	3 - 10	years
Trademarks and copyrights	Agreement	life

(k) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

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The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(l) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Employee benefits

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) *Share-based payments*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(o) *Provision*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

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The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(q) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Share premium on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

(r) Revenue from contract with customer

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. The related costs are recognised in profit or loss when they are incurred.

(s) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

4 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with subsidiaries, associates and joint venture are described in notes 1, 8 and 9. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
TTT Corporation Co., Ltd.	Thailand	Common major shareholder
Hayashi Products Co., Ltd.	Thailand	Common major shareholder
Hose Center Company Limited.	Thailand	Common major shareholder
Italmarket Slovakia, a.s.	Slovakia	Held by the shareholders in a subsidiary
Social Lab Co.,Ltd.	Thailand	One of family member of the company's director is a director.
Group of Persons Ruckariyapong	Thailand	Held by key management personnel
Key management personnel	Thailand	Personnel who have authority and responsibility for planning, ordering and controlling for all direct and indirect activities including directors of the Group. (regardless of management role)

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<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	8	861
Purchase of goods	-	-	74,062	95,911
Other income	-	-	4	12
Interest income	-	-	537	526
Distribution costs and administrative expenses	-	-	1,570	4,205
Joint venture				
Sales of goods	1,188	1,129	1,188	1,129
Purchase of goods	22,671	5,107	22,671	5,107
Other income	1,782	419	1,782	419
Associates				
Purchase of goods	135,674	105,004	135,674	105,004
Other income	996	2,685	996	2,685
Distribution costs and administrative expense	-	183	-	183
Other related parties				
Sales of goods	4,172	4,162	-	-
Purchases of machinery and equipment	504	1,737	504	1,737
Other income	147	145	147	145
Consultant fee	1,200	1,200	1,200	1,200
Distribution costs and administrative expenses	577	838	500	719
Interest expense	233	231	-	-
Key management personnel				
Short-term employee benefit and others	113,856	76,494	113,856	76,494
Long-term employee benefit	12,972	2,438	12,972	2,438
Share-based payments	2,908	-	2,908	-

Intercompany sales to and purchase from associates described above excluded co-packing and distribution with an indirect associate and a joint venture of Baht 130.65 million for the year ended 31 December 2023 (2022: Baht 90.88 million).

<i>Balances with related parties</i> <i>As at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries	-	-	-	7
Joint venture	930	-	930	-
Associates	3,188	1	3,188	1
Other related parties	450	194	-	-
Total	4,568	195	4,118	8

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	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
<i>Balances with related parties</i> <i>As at 31 December</i>	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Other current receivables</i>				
Subsidiaries	-	-	23,302	32,062
Joint venture	384	83	384	83
Associate	104	105	104	105
Other related parties	12	17	12	17
	<u>500</u>	<u>205</u>	<u>23,802</u>	<u>32,267</u>
Less allowance for expected credit loss	-	-	(15,500)	(14,567)
Net	<u>500</u>	<u>205</u>	<u>8,302</u>	<u>17,700</u>
<i>Loans to</i>				
Subsidiaries	-	-	14,516	14,228
Less allowance for expected credit loss	-	-	(8,906)	(8,618)
Net	<u>-</u>	<u>-</u>	<u>5,610</u>	<u>5,610</u>
<i>Other non-current assets</i>				
Other related parties	<u>2,230</u>	<u>2,230</u>	<u>2,230</u>	<u>2,230</u>
<i>Expected credit losses</i>				
<i>For the year ended 31 December</i>				
	Consolidated	Consolidated	Separate	Separate
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Other current receivables	-	-	933	619
Loans to	-	-	288	251
<i>Balances with related parties</i>				
<i>As at 31 December</i>				
	Consolidated	Consolidated	Separate	Separate
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Trade accounts payable</i>				
Subsidiaries	-	-	12,759	16,941
Joint venture	4,412	3,766	4,412	3,766
Associates	22,365	18,774	22,365	18,774
Total	<u>26,777</u>	<u>22,540</u>	<u>39,536</u>	<u>39,481</u>
<i>Other current payable</i>				
Subsidiaries	-	-	4,833	58
Associates	-	1,226	-	1,226
Other related parties	1,443	1,282	-	96
Total	<u>1,443</u>	<u>2,508</u>	<u>4,833</u>	<u>1,380</u>
<i>Lease liability</i>				
Other related parties	<u>37,886</u>	<u>45,202</u>	<u>31,089</u>	<u>38,311</u>
<i>Loans from</i>				
Other related parties	<u>9,470</u>	<u>9,346</u>	<u>-</u>	<u>-</u>
<i>Other non-current liability</i>				
Other related parties	<u>4,149</u>	<u>4,017</u>	<u>-</u>	<u>-</u>

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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 31 December 2023, the management considered to recognise a provision following the regulations of the subsidiary of Baht 4.15 million (2022: Baht 4.02 million) under “Other non-current liabilities” in the consolidated financial statements.

Significant agreements with related parties

(a) Land lease agreement

The Company has a land lease agreement with related parties under which the parties agree that the Company has the right to lease the land for 20 years ended year 2033 and the Company is committed to pay an initial deposit and the monthly land lease. Each year the parties will add 3.33% of the latest monthly land lease. The term of this agreement is continued unless either party gives written notice at least 90 days prior to the effective date of termination. On 19 May 2014, the Company entered into an amendment memorandum to revise the above rate of land lease from 3.33% per year to 2% per year. However, after three years of this agreement, the Company has the option to purchase this land from the lessor at the average of the appraised values as determined by independent appraisers.

The Group has a land lease agreement with a related party under which the party agree that the Group has the right to lease the land for 30 years ended year 2046 and the Group is committed to pay the monthly land lease. Every 5 years the party will add 10% of the latest monthly land lease. The term of this agreement is continued unless either party gives written notice at least 90 days prior to the effective date of termination.

(b) Land and building lease agreement

The Company has a land and building lease agreement with a related party under which the parties agree that the Company has the right to lease the land and building for 3 years ending in year 2025. In consideration thereof, the Company is committed to pay an initial deposit and the monthly land and building lease. Each year the parties will add 3% of the latest monthly land and building lease. The term of this agreement is continued until either party gives written notice at least 30 days prior to the effective date of termination.

(c) Co-packing agreement

The Company has a co-packing agreement with Danone Sappe Beverage Co., Ltd., an indirect associate, to produce health drinking product. The Company is responsible for procuring raw material and packaging and producing in accordance with the formula and the manufactured products specifications, any other prior written specification or instructions. This agreement shall be effective from 27 February 2019, and shall remain in full force and effect as long as the Group is a shareholder of Danone Sappe Beverage Co., Ltd. The parties are committed to pay service fee at the rate as stipulated in the agreement. Subsequently, the Company amended the agreement, effective from 1 April 2022 onwards.

The Company has a production agreement with Social Lab Co., Ltd., which held by the directors' family to produce collagen supplements. The Company is responsible for procuring raw material and packaging and producing. This agreement is effective from 11 March 2021 to 15 March 2022. The parties are committed to pay service fees at the rates stipulated in the agreement.

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The Company has production agreement with WOPE Co., Ltd., an indirect joint venture, to produce food and beverage products. The Company is responsible for procuring raw material and packaging and producing in accordance with the formula and the manufactured products specifications, any other prior written specification, or instructions. This agreement shall be effective from 1 October 2022, and shall remain in full force and effect as long as the Group is a shareholder of WOPE Co., Ltd. The parties are committed to pay service fee at the rate as stipulated in the agreement.

(d) Distribution agreement

The Company has a distribution agreement with Danone Sappe Beverage Co., Ltd., an indirect associate, to distribute health drinking product. The term of this agreement shall be for an initial period of 5 years from 27 February 2019. The term of this agreement shall be renewed automatically and extended for successive further periods of 2 years each, unless either gives written notice no later than 6 months before the expiry date. The parties are committed to pay service fee at the rate as stipulated in the agreement. Subsequently, the Company amended the agreement, effective from 1 April 2022 onwards.

The Company has distribution agreement with WOPE Co., Ltd., an indirect joint venture, to distribute food and beverage products. This agreement shall be effective from 1 October 2022, and shall remain in full force and effect as long as the Group is a shareholder of WOPE Co., Ltd. The parties are committed to pay service fee at the rate as stipulated in the agreement.

5 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash on hand	48	42	-	10
Cash at banks	554,156	298,764	488,361	249,979
Total	554,204	298,806	488,361	249,989

6 Trade accounts receivable

	Consolidated		Separate	
	financial statements		financial statements	
<i>At 31 December</i>	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Within credit terms	146,091	157,543	136,360	152,117
Overdue				
Less than 3 months	132,400	134,999	124,622	124,055
3 - 6 months	48,172	16,632	48,146	6,076
6 - 12 months	433	18,392	380	1,806
More than 12 months	27,332	1,796	4,416	437
Total	354,428	329,362	313,924	284,491
<i>Less allowance for expected credit loss</i>	<i>(26,007)</i>	<i>(5,218)</i>	<i>(2,889)</i>	<i>(3,326)</i>
Net	328,421	324,144	311,035	281,165

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<i>Allowance for expected credit loss</i>	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
At 1 January	5,218	1,850	3,326	24
Addition	20,789	3,368	-	3,302
Reversal	-	-	(437)	-
At 31 December	26,007	5,218	2,889	3,326

Information of credit risk is disclosed in note 26 (b.1).

7 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Finished goods	382,539	322,566	359,476	282,776
Trading goods	17,533	3,888	17,051	3,668
Work in progress	11,407	24,090	10,728	11,424
Raw materials	22,235	31,991	21,631	31,132
Package and packing material	29,019	58,118	25,058	53,234
Spare parts, factory supplies and others	4,746	26,943	285	23,342
Goods in transit	1,281	1,648	1,281	1,648
Total	468,760	469,244	435,510	407,224
<i>Less</i> Allowance for decline in value	(2,725)	(1,985)	(1,484)	(1,985)
Allowance for slow moving	(28,207)	(22,802)	(17,062)	(21,335)
Net	437,828	444,457	416,964	383,904
Inventories recognised in ‘cost of sales of goods’:				
- Cost	3,344,923	2,697,983	3,122,840	2,494,223
- Write-down to net realisable value (reversal)	740	45	(501)	45
- Write-down (reversal)	(4,273)	4,873	(4,273)	4,873
Net	3,341,390	2,702,901	3,118,066	2,499,141

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8 Investment in associates and joint venture

		Consolidated financial statements							
	Type of business	Ownership interest (%)		Paid-up capital		Cost		At equity method	
		2023	2022	2023	2022	2023	2022	2023	2022
<i>Indirect associates</i>									
Danone Sappe Beverages Co., Ltd.	Distributing health drinking product	25.0	25.0	300,000	300,000	75,000	75,000	19,110	20,098
M Intelligence Co., Ltd.	Distributing digital transformation products	16.2	16.2	4,947	4,947	70,000	70,000	56,740	69,026
				145,000	145,000	145,000	145,000	75,850	89,124
<i>Indirect joint venture</i>									
WOPE Co., Ltd.	Distributing candy and coffee products	60.0	60.0	50,000	50,000	30,000	30,000	23,329	30,174
Total				175,000	175,000	175,000	175,000	99,179	119,298

An indirect associate and indirect joint venture were incorporated in Thailand.

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

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<i>Material movement for the year ended 31 December</i>	Consolidated financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Joint venture		
Acquire investment in WOPE Co., Ltd.	-	30,000

On 27 September 2022, the Group purchased share of WOPE Co., Ltd. by acquiring 60 percent shareholding interest or 300,000 shares (Baht 100 par value) amounting to Baht 30 million. WOPE Co.,Ltd. was accounted as a joint venture of the group under which the Group has joint control over the company.

Material associates

The following table summarises the financial information of the material associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	Danone Sappe Beverage Co., Ltd.	
	2023	2022
	<i>(in thousand Baht)</i>	
Revenue	130,809	102,674
Profit (loss) from continuing operations	(2,137)	5,665
Total comprehensive income (100%)	<u>(2,137)</u>	<u>5,665</u>
Total comprehensive income of the Group's interest	(534)	1,416
Elimination of unrealised profit on downstream sales and upstream purchase	<u>(454)</u>	<u>(30)</u>
Group's share of total comprehensive income	<u>(988)</u>	<u>1,386</u>
Current assets	93,785	87,536
Non-current assets	22	68
Current liabilities	<u>(9,816)</u>	<u>(1,476)</u>
Net assets (100%)	<u>83,991</u>	<u>86,128</u>
Group's share of net assets	20,998	21,532
Elimination of unrealised profit on downstream sales and upstream purchase	<u>(1,888)</u>	<u>(1,434)</u>
Carrying amount of interest in associate	<u>19,110</u>	<u>20,098</u>

Immaterial associates and joint ventures

The following is summarized financial information for the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

	M Intelligence Co., Ltd.		WOPE Co., Ltd.	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures	70,000	70,000	30,000	30,000
Group's share of:				
- Profit (loss) from continuing operations	<u>(12,286)</u>	<u>(1,217)</u>	<u>(6,845)</u>	<u>174</u>
- Total comprehensive income (expense)	<u>(12,286)</u>	<u>(1,217)</u>	<u>(6,845)</u>	<u>174</u>

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9 Investments in subsidiaries

	Ownership interest		Paid-up capital		Separate financial statements			
	2023	2022	2023	2022	2023	2022	2023	2022
	2023		2022		<i>(in thousand Baht)</i>			
	2023		2022		<i>(in thousand Baht)</i>			
Direct subsidiaries								
Sappe Europe s.r.o.	60	60	EUR 6,639	162	-	(162)	-	-
Sappe Holding (Thailand) Co., Ltd.	100	100	Baht 427 million	Baht 420 million	427,000	-	427,000	420,000
Total				420,162	427,000	-	427,000	420,000
Indirect subsidiaries								
Sappe Trading (Hong Kong) Company Limited	100	100	HKD 100,000	454	454	(454)	-	-
Sappe Hong Kong Company Limited	100	100	HKD 3,000,000	13,980	13,980	(13,980)	-	-
Sappe Trading (Shanghai) Co., Ltd.	100	100	CNY 2,000,000	10,173	10,173	(10,173)	-	-
All Coco Group Co., Ltd.	51	51	Baht 168 million	196,350	196,350	-	196,350	196,350
SAPPE Philippines Corporation	100	-	10,981,738 PHP	-	6,860	-	6,860	-

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<i>Material movement for the year ended 31 December</i>	Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Increase capital of Sappe Holding (Thailand) Co., Ltd.	7,000	30,000
Impairment loss on investments in Sappe Europe s.r.o	-	(162)

Sappe Holding (Thailand) Co., Ltd.

In August 2022, Sappe Holding (Thailand) Co., Ltd., increased its registered share capital from Baht 390 million to Baht 420 million (42,000,000 shares, at the price of Baht 10 per share) by issuing authorised share capital of Sappe Holding (Thailand) Co., Ltd. by Baht 30 million (3,000,000 shares, at the price of Baht 10 per share). The Company made a payment for Baht 30 million. Sappe Holding (Thailand) Co., Ltd. registered the increase of share capital with the Ministry of Commerce on 29 August 2022.

In March 2023, Sappe Holding (Thailand) Co., Ltd. increase its registered share capital from Baht 420 million to Baht 427 million (42,700,000 shares, at the price of Baht 10 per share) by issue authorised share capital of Sappe Holding (Thailand) Co., Ltd. by Baht 7 million (700,000 shares, at the price of Baht 10 per share). The Company had paid-up share capital amounting to Baht 7 million. Sappe Holding (Thailand) Co., Ltd. registered the increase of share capital with the Ministry of Commerce on 17 March 2023.

SAPPE Philippines Corporation

During the year 2023, SAPPE Philippines Corporation registered its authorized share capital amounting to PHP 22 million (20,000 shares at PHP 1,100 per share) with a subscription of 10,000 shares at PHP 1,100 per share. Sappe Holding (Thailand) Co., Ltd. has paid-up share capital amounting to PHP 10.95 million (9,956 shares at PHP 1,100 per share) on 31 May 2023.

Impairment

Giving consideration of the current operation at overseas subsidiaries, the Group has provided allowance for impairment loss totaling Baht 24.77 million during the year ended 31 December 2023 (2022: Baht 24.77 million).

The approval of disposal of share capital of Sappe Europe s.r.o.

At the Board of Directors Meeting held on 10 August 2023, the Board has approved a disposal of entirely of the authorized share capital of Sappe Europe s.r.o. a subsidiary of the Company in which the holding interest of the Company is 60 percent, for a consideration of EUR 3,983. The Company expects the transaction to be completed by 2024. As of 31 December 2023, the Company classified this transaction as a non-current asset classified as held for sale.

All Coco Group Co., Ltd.

By acquiring shares in All Coco Group Co., Ltd. for the first time in 2016, the Group has the right to purchase additional shares in the maximum portion of 9% after 4 years from the effective date of the first sales and purchase of shares agreement, at the fair value.

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10 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group elimination:

	The Group of All Coco Group Co., Ltd.	
	2023	2022
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	49%	49%
Current assets	95,423	147,596
Non-current assets	123,362	131,716
Current liabilities	(43,914)	(53,399)
Non-current liabilities	(10,784)	(13,291)
Net assets	164,087	212,622
Carrying amount of non-controlling interest	<u>80,403</u>	<u>104,185</u>
Revenue	296,903	318,898
Profit (loss)	(48,535)	3,138
Total comprehensive income (expense)	(48,535)	3,138
Profit (loss) allocated to non-controlling interest	(23,782)	1,538

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11 Property, plant and equipment

	Consolidated financial statements						Total
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Asset under construction and installation	
Cost							
At 1 January 2022	153,609	477,564	1,419,859	119,213	57,614	39,918	2,267,777
Additions	33	956	11,359	3,929	3,978	265,213	285,468
Transfer	-	4,492	36,849	301	-	(41,642)	-
Disposals	-	(280)	(4,026)	(11,837)	(5,701)	(1,434)	(23,278)
Effect of movements in exchange rates	-	-	(272)	(5)	(51)	-	(328)
At 31 December 2022 and 1 January 2023	153,642	482,732	1,463,769	111,601	55,840	262,055	2,529,639
Additions	-	716	15,496	3,292	2,007	747,978	769,489
Transfer	-	4,902	255,544	3,454	-	(263,900)	-
Disposals	(13,171)	(49,194)	(80,264)	(30,467)	(5,407)	-	(178,503)
Effect of movements in exchange rates	-	-	299	(3)	58	-	354
At 31 December 2023	140,471	439,156	1,654,844	87,877	52,498	746,133	3,120,979
Depreciation and impairment losses							
At 1 January 2022	30,697	235,287	911,521	93,997	43,567	1,434	1,316,503
Depreciation for the year	3,350	27,439	122,508	9,448	5,445	-	168,190
Reversal of impairment loss	-	-	-	-	-	(1,434)	(1,434)
Disposals	-	(277)	(3,865)	(11,209)	(5,700)	-	(21,051)
Effect of movements in exchange rates	-	-	(245)	(5)	(52)	-	(302)
At 31 December 2022 and 1 January 2023	34,047	262,449	1,029,919	92,231	43,260	-	1,461,906
Depreciation for the year	3,247	26,407	115,795	8,205	5,261	-	158,915
Disposals	(11,998)	(37,788)	(79,488)	(30,377)	(5,407)	-	(165,058)
Effect of movements in exchange rates	-	-	290	(3)	58	-	345
At 31 December 2023	25,296	251,068	1,066,516	70,056	43,172	-	1,456,108
Net book value							
At 31 December 2022	119,595	220,283	433,850	19,370	12,580	262,055	1,067,733
At 31 December 2023	115,175	188,088	588,328	17,821	9,326	746,133	1,664,871

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	Separate financial statements						Total
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Asset under construction and installation	
Cost							
At 1 January 2022	145,302	402,317	1,310,162	114,430	57,003	39,245	2,068,459
Additions	-	-	7,870	3,184	3,978	264,345	279,377
Transfer	-	4,127	36,543	275	-	(40,945)	-
Disposals	-	(280)	(3,062)	(10,387)	(5,701)	(1,434)	(20,864)
At 31 December 2022 and 1 January 2023	145,302	406,164	1,351,513	107,502	55,280	261,211	2,326,972
Additions	-	-	13,007	3,035	2,007	745,435	763,484
Transfer	-	4,767	254,478	3,429	-	(262,674)	-
Disposals	(13,171)	(49,194)	(78,007)	(29,939)	(5,407)	-	(175,718)
At 31 December 2023	132,131	361,737	1,540,991	84,027	51,880	743,972	2,914,738
Depreciation and impairment losses							
At 1 January 2022	29,697	214,169	872,493	90,955	43,080	1,434	1,251,828
Depreciation for the year	3,179	22,103	109,795	8,666	5,320	-	149,063
Reversal of impairment loss	-	-	-	-	-	(1,434)	(1,434)
Disposals	-	(278)	(2,904)	(10,363)	(5,700)	-	(19,245)
At 31 December 2022 and 1 January 2023	32,876	235,994	979,384	89,258	42,700	-	1,380,212
Depreciation for the year	3,074	20,902	103,254	7,560	5,261	-	140,051
Disposals	(11,998)	(37,788)	(77,442)	(29,851)	(5,407)	-	(162,486)
At 31 December 2023	23,952	219,108	1,005,196	66,967	42,554	-	1,357,777
Net book value							
At 31 December 2022	112,426	170,170	372,129	18,244	12,580	261,211	946,760
At 31 December 2023	108,179	142,629	535,795	17,060	9,326	743,972	1,556,961

The gross amount of the Group and Company's fully depreciated land improvement, plant and equipment that was still in use as at 31 December 2023 amounted to Baht 697.09 million and Baht 659.53 million, respectively (2022: Baht 472.60 million and Baht 449.00 million).

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12 Goodwill

	Consolidated financial statements	
	2023	2022
	<i>(in million Baht)</i>	
Cost		
At 1 January	90,899	90,899
At 31 December	<u>90,899</u>	<u>90,899</u>
Net book value		
At 31 December	<u>90,899</u>	<u>90,899</u>

Impairment testing for CGU containing goodwill

The recoverable amount of this CGU was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations of All Coco Group Co., Ltd., which the carrying amount of the CGU was determined to be lower than its recoverable amount therefore no impairment losses to be recognised as of 31 December 2023 and 2022.

	Consolidated financial statements	
	2023	2022
	(%)	
Discount rate	5.72	5.17
Terminal value growth rate	0.0	0.0

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would grow at a constant margin above forecast inflation over the next five years, in line with information obtained from external brokers who publish a statistical analysis of long-term market trends.

13 Other current payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Other payables - related parties	4	829	2,066	4,833	1,380
Accrued interest expense - related parties	4	614	441	-	-
Accrued promotional expense		448,178	237,737	445,642	237,431
Advance received for goods		316,761	203,467	316,761	203,467
Accrued expenses		265,309	197,345	259,553	186,824
Other payables - other parties		165,450	77,291	158,023	70,221
Others		17,436	15,879	17,331	10,291
Total		<u>1,214,577</u>	<u>734,226</u>	<u>1,202,143</u>	<u>709,614</u>

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14 Provisions for employee benefits

<i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Short term employee benefits	11,110	-	11,110	-
Post-employment benefits	69,802	56,938	67,654	55,455
Other long-term employee benefits	12,690	4,879	12,690	4,879
Total	93,602	61,817	91,454	60,334

Defined benefit plan

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E.2541 (1998) to provide requirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
At 1 January	61,817	36,611	60,334	35,604
<i>Recognised in profit or loss:</i>				
Current service cost	30,961	11,010	30,320	10,550
Past service cost	-	2,004	-	2,004
Interest on obligation	1,924	901	1,900	885
<i>Recognised in other comprehensive income:</i>				
Actuarial (gain) loss				
- Demographic assumptions	-	12,308	-	12,308
- Financial assumptions	-	(2,168)	-	(2,168)
- Experience adjustment	-	1,666	-	1,666
	94,702	62,332	92,554	60,849
Benefit paid	(1,100)	(515)	(1,100)	(515)
At 31 December	93,602	61,817	91,454	60,334

Other long-term employee benefit

Other long-term employee benefit was based on the length of service of employees and actuarial assumptions as basis to calculate the obligations.

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(%)</i>			
Discount rate	2.49 - 3.15	2.49 - 3.15	3.15	3.15
Future salary growth	5	5	5	5
Employee turnover	0 - 37	0 - 37	0 - 27	0 - 27

Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 31 December 2023, the weighted-average duration of the defined benefit obligation was 24.00 - 29.19 years (2022: 24.00 - 29.19 years).

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate	(7,598)	(6,399)	8,908	7,545
Future salary growth	9,017	6,992	(7,788)	(6,044)
Employee turnover	(8,243)	(6,961)	3,517	3,202
Future mortality	417	346	(414)	(344)

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate	(7,344)	(6,214)	8,610	7,327
Future salary growth	8,663	6,752	(7,486)	(5,839)
Employee turnover	(7,966)	(6,759)	3,411	3,118
Future mortality	402	335	(399)	(333)

15 Share capital

	Par value per share <i>(in Baht)</i>	2023		2022	
		Number	Baht	Number	Baht
Authorised shares at 31 December		<u>308,289</u>	<u>308,289</u>	<u>308,438</u>	<u>308,438</u>
<i>(thousand shares / thousand Baht)</i>					
Issued and paid-up shares					
At 1 January					
- ordinary shares	1	308,289	308,289	306,087	306,087
Shares options exercised <i>(Note 18)</i>	1	-	-	2,202	2,202
At 31 December					
- ordinary shares	1	<u>308,289</u>	<u>308,289</u>	<u>308,289</u>	<u>308,289</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

In the Annual General Meeting of Shareholders held on 27 April 2023, the shareholders approved to decrease the registered capital of the Company from 308,438,080 shares with a par value of Baht 1 per share to 308,289,080 shares with a par value of Baht 1 per share for cancelling the reserve of 149,000 shares for the exercise of warrant rights to purchase the Company's ordinary shares with a par value of Baht 1 per share. The Company registered the decrease of share capital with the Ministry of Commerce on 3 May 2023.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

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16 Share-based payments

The Employee Joint Investment Program (EJIP)

At the Board of Directors Meeting held on 27 April 2023, the Board has approved the Employee Joint Investment Program (EJIP) with a term of 3 years to qualifying management and employees of the Company. The duration of paid contribution is 1 year. The company will deduct money from payroll of participants who join the program not over 10% of the base salary of each participant on a monthly basis and put into the fund till the end of the program period. This amount will represent 15% of the total program contribution budget. The company will contribute the remaining 85% of the total program contribution budget on monthly basis.

Expenses for share-based payment transactions for Employee Joint Investment Program (EJIP) in the consolidated and separate financial statements for the period ended 31 December 2023 were Baht 5.91 million.

As of 31 December 2023, the Company holds the company shares under the Employee Joint Investment Program (EJIP) for 147,792 shares, which represents 0.05 percent of the total paid-up share capital, amounting to Baht 12.57 million recognised as treasury shares.

The warrants to purchase the Company's ordinary shares No.2 (SAPPE-WA2)

On 13 May 2022, warrants were exercised by the Company's management and employees. The Company received in cash of Baht 19.81 million. On 17 May 2022, increase in the paid-up capital from Baht 307,325,780 to Baht 308,289,080 (comprising 963,300 shares at par value Baht 1 per share) have been registered with the Ministry of Commerce. In order that, the warrants to purchase the Company's ordinary shares No.2 (SAPPE-WA2) which were issued and offered to management and employees of the Company expired in May 2022.

No expense for the share-based payment transactions for the expired warrants to purchase the Company's ordinary shares No.2 (SAPPE-WA2) in the consolidated and separate financial statements for the year ended 31 December 2023 (2022: *Reversal expenses Baht 1.23 million*).

Movements during the years ended 31 December of warrants were as follows:

	Consolidated / Separate financial statements	
	2022	
<i>Note</i>	Average exercise price per share (Baht)	Option shares (in thousand shares)
At 1 January	8.09	2,351
Exercise	8.08	(2,202)
Expired	8.27	(149)
At 31 December	<u>-</u>	<u>-</u>

17 Legal reserves

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

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18 Segment information and disaggregation of revenue

(a) Segment information

Management determined that the Group has 2 reportable segments, as described below, which are the strategic divisions for different products and are managed separately because they require different technology. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1	Health drinking products
Segment 2	Coconut products

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

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Year ended 31 December	Consolidated financial statements						Net				
	Health drinking products		Coconut products		Other segments			Total	Eliminate		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
<i>Information about reportable segments</i>											
External revenues	5,813,355	4,316,383	219,808	212,881	19,405	37,136	6,052,568	4,566,400	-	6,052,568	4,566,400
Inter-segment revenue	8	861	74,265	100,392	-	-	74,273	101,253	(74,273)	(101,253)	-
Total revenue	5,813,363	4,317,244	294,073	313,273	19,405	37,136	6,126,841	4,667,653	(74,273)	(101,253)	4,566,400
<i>Disaggregation of revenue</i>											
Primary geographical markets											
Thailand	974,717	888,303	251,330	248,938	-	-	1,226,047	1,137,241	(74,273)	(101,253)	1,151,774
Asia	2,986,163	2,441,008	40,224	58,324	-	-	3,026,387	2,499,332	-	-	3,026,387
Europe	1,393,615	679,658	719	-	19,405	37,136	1,413,739	716,794	-	-	1,413,739
America	270,576	198,581	1,800	6,011	-	-	272,376	204,592	-	-	272,376
Others	188,292	109,694	-	-	-	-	188,292	109,694	-	-	188,292
Total revenue	5,813,363	4,317,244	294,073	313,273	19,405	37,136	6,126,841	4,667,653	(74,273)	(101,253)	4,566,400
Major products											
Drinks	5,305,216	3,904,404	235,635	201,458	19,405	37,136	5,560,256	4,142,998	(33,499)	(52,272)	4,090,726
Healthy food products	208,901	146,180	-	-	-	-	208,901	146,180	-	-	146,180
Others	299,246	266,660	58,438	111,815	-	-	357,684	378,475	(40,774)	(48,981)	329,494
Total revenue	5,813,363	4,317,244	294,073	313,273	19,405	37,136	6,126,841	4,667,653	(74,273)	(101,253)	4,566,400

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	Year ended 31 December		Consolidated financial statements						Net			
	2023	2022	Health drinking products	Coconut products	Other segments	Total	Eliminate	2023	2022	2023	2022	
			2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Share of profit (loss) of investments in associates and joint venture	(988)	1,386	-	-	(19,132)	(1,042)	(20,120)	344	-	-	(20,120)	344
Segment profit (loss) before income tax	1,401,072	814,069	(54,623)	3,482	(22,058)	(2,960)	1,324,391	814,591	891	1,545	1,325,282	816,136
Interest income	4,307	3,516	-	-	-	-	4,307	3,516	(536)	(526)	3,771	2,990
Depreciation and amortisation	157,417	166,345	20,267	20,350	413	514	178,097	187,209	-	-	178,097	187,209
Tax expense	280,815	161,363	(6,088)	344	38	-	274,765	161,707	-	-	274,765	161,707
Investment in associates and joint venture	19,110	20,098	-	-	80,069	99,200	99,179	119,298	-	-	99,179	119,298
Segment assets	5,693,921	4,491,165	218,785	279,313	240,048	254,753	6,152,754	5,025,231	(472,513)	(463,904)	5,680,241	4,561,327
Segment liabilities	1,752,980	1,156,145	54,698	66,690	46,049	45,289	1,853,727	1,268,124	(69,351)	(66,851)	1,784,376	1,201,273

(in thousand Baht)

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<i>Year ended 31 December</i>	Separate financial statements	
	Reportable segments	
	2023	2022
	<i>(in thousand Baht)</i>	
Disaggregation of revenue		
Primary geographical markets		
Thailand	974,717	888,303
Asia	2,986,163	2,441,008
Europe	1,393,615	679,658
America	270,576	198,581
Others	188,292	109,694
Total revenue	<u>5,813,363</u>	<u>4,317,244</u>
Major products		
Drinks	5,305,216	3,904,404
Healthy food products	208,901	146,180
Others	299,246	266,660
Total revenue	<u>5,813,363</u>	<u>4,317,244</u>

(b) *Geographical segments*

In presenting information on the geographical revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

<i>Geographical information</i>	Consolidated financial statements			
	Revenues		Non-current assets	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Thailand	1,151,774	1,035,988	2,024,434	1,481,640
Asia	3,026,387	2,499,332	-	-
Europe	1,413,739	716,794	-	405
America	272,376	204,592	-	-
Others	188,292	109,694	-	-
Total	<u>6,052,568</u>	<u>4,566,400</u>	<u>2,024,434</u>	<u>1,482,045</u>

(c) *Major customer*

Revenues from 2 major customers of the Group's represent approximately Baht 1,467 million (2022: 2 customers approximately Baht 1,144 million) of the Group's total revenues.

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19 Other income

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Freight income	67,355	287,189	67,031	286,563
Unrealised gain from other current financial assets revaluation	22,691	7,467	22,691	7,467
Interest income	3,771	2,990	4,307	3,516
Others	52,027	35,459	47,348	27,962
Total	145,844	333,105	141,377	325,508

20 Expenses by nature

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		(22,935)	(175,093)	(76,004)	(188,662)
Raw materials and consumables used		2,470,848	2,193,463	2,383,134	2,092,788
Employee benefit expenses		631,961	522,518	591,623	474,487
Transportation expenses		284,561	506,720	279,497	498,936
Sale promotion expenses		609,444	382,806	606,725	378,821
Depreciation and amortisation expenses	11	178,097	187,209	157,417	166,345
Utilities expenses		135,665	114,174	112,161	88,609
Wages		192,088	58,328	192,088	58,328
Others		360,287	278,926	315,019	246,204
Total cost of sales of goods, distribution costs and administrative expenses		4,840,016	4,069,051	4,561,660	3,815,856

During the year 2023, the Group and the Company has contributed provident fund for its employees amounting to Baht 5.88 million and Baht 5.69 million, respectively (2022: Baht 6.24 million and Baht 6.00 million, respectively), which included in employee benefit expenses.

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21 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht / thousand shares)</i>			
<i>Profit attributable to ordinary shareholders</i>				
Profit attributable to ordinary shareholders of the Company (basic)	<u>1,074,199</u>	<u>653,151</u>	<u>1,121,245</u>	<u>652,706</u>
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	308,289	306,087	308,289	306,087
Effect of shares options exercised	-	1,833	-	1,833
Effect of repurchasing equity	(43)	-	(43)	-
Weighted average number of ordinary shares outstanding (diluted) at 31 December	<u>308,246</u>	<u>307,920</u>	<u>308,246</u>	<u>307,920</u>
Earnings per share (basic) (in Baht)	<u>3.49</u>	<u>2.12</u>	<u>3.64</u>	<u>2.12</u>

22 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in thousand Baht)</i>
2023				
2022 Annual dividend	27 April 2023	26 May 2023	1.65	508,665
2022				
2021 Annual dividend	27 April 2022	26 May 2022	1.10	338,057

23 Financial instruments

(a) Carrying amounts 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. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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<i>At 31 December</i>	Separate financial statements				Total (in thousand Baht)	Fair value		
	Carrying amount	Level 1	Level 2	Level 3		Total		
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost					
2023								
Financial assets								
Other financial assets								
Investment in debt instruments	1,957,422	-	49,896	2,007,318	-	2,007,345	-	2,007,345
Non-marketable fund of funds	-	10,630	-	10,630	-	-	10,630	10,630
Total other financial assets	1,957,422	10,630	49,896	2,017,948	-	1,931	-	1,931
Derivatives assets	1,931	-	-	1,931	-	1,931	-	1,931
2022								
Financial assets								
Other financial assets								
Investment in debt instruments	1,829,719	-	66,752	1,896,471	-	1,896,694	-	1,896,694
Derivatives assets	2,499	-	-	2,499	-	2,499	-	2,499

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The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position.

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> 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	Market value / Derived by using a valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding the Group's credit risk) and other risks to reflect true economic value.
Debt securities	The net asset value as of the reporting date.
Non-marketable fund of funds	The latest announcement net asset value and adjusted with capital call from investment unit after announced date until the reporting date.

	Consolidated / Separate financial statements				
	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
<i>Investment movement</i>					
	<i>(in thousand Baht)</i>				
2023					
<i>Current financial asset</i>					
Debt instruments measured at					
- FVTPL	1,829,719	3,935,902	(3,835,902)	27,703	1,957,422
- Amortised cost	66,752	-	(17,000)	144	49,896
Non-marketable fund of funds measured at					
- FVOCI	-	10,630	-	-	10,630
2022					
<i>Current financial asset</i>					
Debt instruments measured at					
- FVTPL	1,371,106	3,303,506	(2,853,406)	8,513	1,829,719
- Amortised cost	67,000	-	-	(248)	66,752

(b) *Financial risk management policies*

Risk management framework.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 18 (b) and 18 (c).

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the authorized person.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables are disclosed in note 6.

(b.1.2) Investment in debt securities

The Group considers that all debt investments measured at amortised cost have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies.

The Group monitors changes in credit risk by tracking published external credit ratings. To assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and, where available, credit default swap (CDS) prices together with available press and regulatory information about debtors.

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(b.1.3) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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

<i>At 31 December</i>	Carrying amount	Consolidated financial statements			Total
		1 year or less	Contractual cash flows More than 1 year but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
2023					
Non-derivative financial liabilities					
Trade payables	270,820	(270,820)	-	-	(270,820)
Other current payable	1,214,577	(1,214,577)	-	-	(1,214,577)
Loan from related parties	9,470	(9,470)	-	-	(9,470)
Lease liabilities	60,719	(13,418)	(33,783)	(25,518)	(72,719)
	<u>1,555,586</u>	<u>(1,508,285)</u>	<u>(33,783)</u>	<u>(25,518)</u>	<u>(1,567,586)</u>
Derivative financial assets					
Forward exchange contracts:					
- Cash outflow	-	(380,641)	-	-	(380,641)
- Cash inflow	1,931	382,572	-	-	382,572
	<u>1,931</u>	<u>1,931</u>	<u>-</u>	<u>-</u>	<u>1,931</u>
2022					
Non-derivative financial liabilities					
Bank overdraft	1,057	(1,057)	-	-	(1,057)
Trade payables	229,971	(229,971)	-	-	(229,971)
Other current payable	734,226	(734,226)	-	-	(734,226)
Loan from related parties	9,346	(9,346)	-	-	(9,346)
Lease liabilities	71,466	(12,964)	(38,977)	(32,461)	(84,402)
	<u>1,046,066</u>	<u>(987,564)</u>	<u>(38,977)</u>	<u>(32,461)</u>	<u>(1,059,002)</u>

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<i>At 31 December</i>	Carrying amount	Consolidated financial statements			Total
		1 year or less	Contractual cash flows More than 1 year but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
2022					
Derivative financial liabilities					
Forward exchange contracts:					
- Cash outflow	-	(125,443)	-	-	(125,443)
- Cash inflow	2,499	127,942	-	-	127,942
	<u>2,499</u>	<u>2,499</u>	<u>-</u>	<u>-</u>	<u>2,499</u>

<i>At 31 December</i>	Carrying amount	Separate financial statements			Total
		1 year or less	Contractual cash flows More than 1 year but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
2023					
Non-derivative financial liabilities					
Trade payables	278,991	(278,991)	-	-	(278,991)
Other current payable	1,202,143	(1,202,143)	-	-	(1,202,143)
Lease liabilities	50,531	(12,507)	(30,044)	(15,020)	(57,571)
	<u>1,531,665</u>	<u>(1,493,641)</u>	<u>(30,044)</u>	<u>(15,020)</u>	<u>(1,538,705)</u>

Derivative financial liabilities					
Forward exchange contracts:					
- Cash outflow	-	(380,641)	-	-	(380,641)
- Cash inflow	1,931	382,572	-	-	382,572
	<u>1,931</u>	<u>1,931</u>	<u>-</u>	<u>-</u>	<u>1,931</u>

2022					
Non-derivative financial liabilities					
Trade payables	240,030	(240,030)	-	-	(240,030)
Other current payable	709,614	(709,614)	-	-	(709,614)
Lease liabilities	60,827	(12,053)	(35,277)	(21,012)	(68,342)
	<u>1,010,471</u>	<u>(961,697)</u>	<u>(35,277)</u>	<u>(21,012)</u>	<u>(1,017,986)</u>

Derivative financial liabilities					
Forward exchange contracts:					
- Cash outflow	-	(125,443)	-	-	(125,443)
- Cash inflow	2,499	127,942	-	-	127,942
	<u>2,499</u>	<u>2,499</u>	<u>-</u>	<u>-</u>	<u>2,499</u>

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The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to financial assets and derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

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	Consolidated financial statements									
	2023					2022				
<i>Exposure to foreign currency at 31 December</i>	USD	EUR	HKD	CNY	PHP	USD	EUR	HKD	CNY	
Cash and cash equivalents	56,831	43,485	12,147	639	-	69	5	12,315	661	
Trade accounts receivables	97,073	62,952	-	-	-	91,885	65,882	-	-	
Other current receivables	-	1,181	-	2,291	-	-	1,180	-	2,291	
Interest-bearing liabilities	-	(4,080)	-	-	-	-	(5,013)	-	-	
Trade payables	(1,605)	(151)	(44)	-	-	(5,062)	(983)	-	-	
Other current payables	(241,911)	(73,760)	(193)	(53)	(615)	(167,987)	(11,814)	(146)	(99)	
Net statement of financial position exposure	(89,612)	29,627	11,910	2,877	(615)	(81,095)	49,257	12,169	2,853	
Forward exchange selling contracts	(79,172)	(62,952)	-	-	-	(91,885)	-	-	-	
Net exposure	(168,784)	(33,325)	11,910	2,877	(615)	(172,980)	49,257	12,169	2,853	

	2023					2022				
	USD	EUR	CNY	USD	EUR	USD	CNY	USD	EUR	
<i>Exposure to foreign currency at 31 December</i>										
Cash and cash equivalents	56,831	39,402	-	63	2					
Trade accounts receivables	97,073	58,113	-	60,982	57,004					
Trade accounts payables	(1,605)	-	(44)	(5,062)	(983)					
Other current payables	(241,230)	(66,976)	-	(167,349)	(5,587)					
Net statement of financial position exposure	(88,931)	30,539	(44)	(111,366)	50,436					
Forward exchange selling contracts	(79,172)	(58,113)	-	(60,982)	-					
Net exposure	(168,103)	(27,574)	(44)	(172,348)	50,436					

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(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. So, the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

24 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

25 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		Financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Machinery, equipment and other constructions	797,492	437,683	767,492	437,072
Total	<u>797,492</u>	<u>437,683</u>	<u>767,492</u>	<u>437,072</u>
<i>Other commitments</i>				
Short-term lease commitments	1,810	8,489	1,403	7,227
Service agreement	3,780	11,916	1,080	9,043
Bank guarantees	10,616	10,616	10,616	10,616
Total	<u>16,206</u>	<u>31,021</u>	<u>13,099</u>	<u>26,886</u>