

**Sappe Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2024
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 2024, 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 material 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 2024 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. | My audit procedures included: <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; - 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. | My audit procedures included: <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; - 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. |

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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
24 February 2025

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

| Assets | Note | Consolidated | | Separate | |
|---------------------------------------|------|----------------------|----------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 31 December | | 31 December | |
| | | 2024 | 2023 | 2024 | 2023 |
| | | <i>(in Baht)</i> | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 763,157,656 | 554,204,035 | 618,139,772 | 488,360,925 |
| Trade accounts receivable | 4, 6 | 389,014,983 | 328,421,144 | 378,301,107 | 311,035,091 |
| Other current receivables | 4 | 213,418,770 | 313,136,685 | 212,488,877 | 322,400,494 |
| Short-term loans to related parties | 4 | - | - | 2,550,000 | 5,610,000 |
| Inventories | 7 | 234,171,866 | 437,828,001 | 208,976,051 | 416,964,468 |
| Other current financial assets | 23 | 1,012,172,072 | 1,977,359,045 | 1,012,172,072 | 1,977,359,045 |
| Other current assets | | 85,699,871 | 44,858,492 | 85,332,113 | 44,708,034 |
| Total current assets | | 2,697,635,218 | 3,655,807,402 | 2,517,959,992 | 3,566,438,057 |
| Non-current assets | | | | | |
| Other non-current financial assets | 23 | 37,426,704 | 40,588,514 | 37,426,704 | 40,588,514 |
| Investment in associates | 8 | 75,543,410 | 75,849,839 | - | - |
| Investment in joint venture | 8 | 223,903 | 23,328,546 | - | - |
| Investment in subsidiaries | 9 | - | - | 426,999,980 | 426,999,980 |
| Property, plant and equipment | 11 | 2,881,354,798 | 1,664,870,526 | 2,792,294,390 | 1,556,960,599 |
| Right-of-use assets | 4 | 41,406,548 | 52,822,916 | 33,325,854 | 44,069,178 |
| Goodwill | 12 | 90,898,858 | 90,898,858 | - | - |
| Intangible assets other than goodwill | | 52,122,428 | 32,823,716 | 47,147,377 | 25,816,953 |
| Deferred tax assets | | 34,421,538 | 32,304,953 | 31,577,978 | 27,447,800 |
| Other non-current assets | 4 | 9,806,631 | 10,946,094 | 6,696,563 | 5,600,218 |
| Total non-current assets | | 3,223,204,818 | 2,024,433,962 | 3,375,468,846 | 2,127,483,242 |
| Total assets | | 5,920,840,036 | 5,680,241,364 | 5,893,428,838 | 5,693,921,299 |

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 | |
| | | 2024 | 2023 | 2024 | 2023 |
| | | <i>(in Baht)</i> | | | |
| Current liabilities | | | | | |
| Trade accounts payable | 4, 23 | 199,754,447 | 270,819,635 | 201,249,504 | 278,991,453 |
| Other current payables | 4, 13, 23 | 900,006,923 | 1,214,577,277 | 868,961,857 | 1,202,142,927 |
| Short-term borrowings from related parties | 4, 23 | 2,450,000 | 9,469,955 | - | - |
| Current portion of lease liabilities | 23 | 10,437,188 | 11,516,428 | 9,945,490 | 11,045,934 |
| Corporate income tax payable | | 107,285,706 | 129,981,610 | 106,937,687 | 129,860,796 |
| Current provisions for employee benefits | 14 | 72,160,667 | 11,110,000 | 72,160,667 | 11,110,000 |
| Total current liabilities | | 1,292,094,931 | 1,647,474,905 | 1,259,255,205 | 1,633,151,110 |
| Non-current liabilities | | | | | |
| Lease liabilities | 23 | 38,765,227 | 49,202,415 | 29,539,356 | 39,484,846 |
| Deferred tax liabilities | | 845,581 | 1,048,224 | - | - |
| Non-current provisions for employee benefits | 14 | 98,202,952 | 82,491,983 | 96,248,373 | 80,343,745 |
| Other non-current liabilities | 4 | 10,000 | 4,158,532 | - | - |
| Total non-current liabilities | | 137,823,760 | 136,901,154 | 125,787,729 | 119,828,591 |
| Total liabilities | | 1,429,918,691 | 1,784,376,059 | 1,385,042,934 | 1,752,979,701 |

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 | |
| | | 2024 | 2023 | 2024 | 2023 |
| | | <i>(in Baht)</i> | | | |
| Equity | | | | | |
| Share capital | 15 | | | | |
| Authorised share capital | | 308,289,080 | 308,289,080 | 308,289,080 | 308,289,080 |
| 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 | 23,965,573 | 5,907,085 | 23,965,573 | 5,907,085 |
| Treasury shares | 16 | (38,976,443) | (12,565,270) | (38,976,443) | (12,565,270) |
| Difference arising from common control transactions | | - | (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 | 38,976,443 | 12,565,270 | 38,976,443 | 12,565,270 |
| Unappropriated | | 2,943,913,000 | 2,392,263,760 | 3,063,057,526 | 2,513,671,708 |
| Other components of equity | | | | | |
| currency translation differences | | 3,077,723 | 2,338,956 | - | - |
| Equity attributable to owners of the parent | | 4,392,319,101 | 3,817,507,264 | 4,508,385,904 | 3,940,941,598 |
| Non-controlling interests | 10 | 98,602,244 | 78,358,041 | - | - |
| Total equity | | 4,490,921,345 | 3,895,865,305 | 4,508,385,904 | 3,940,941,598 |
| Total liabilities and equity | | 5,920,840,036 | 5,680,241,364 | 5,893,428,838 | 5,693,921,299 |

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

Sappe Public Company Limited and its Subsidiaries

Statement of income

| | Note | Consolidated | | Separate | |
|---|------------|---------------------------|----------------------|---------------------------|----------------------|
| | | financial statements | | financial statements | |
| | | Year ended 31 December | | Year ended 31 December | |
| | | 2024 | 2023 | 2024 | 2023 |
| <i>(in Baht)</i> | | | | | |
| Revenue | | | | | |
| Revenue from sale of goods | 4, 18 | 6,775,377,710 | 6,052,567,585 | 6,432,592,633 | 5,813,362,582 |
| Other income | 4, 19 | 258,174,736 | 145,843,875 | 256,313,573 | 141,376,654 |
| Net foreign exchange gain | | 19,236,983 | 9,298,634 | 20,502,556 | 11,508,206 |
| Total revenue | | 7,052,789,429 | 6,207,710,094 | 6,709,408,762 | 5,966,247,442 |
| Expenses | | | | | |
| Cost of sales of goods | 4, 20 7 | 3,631,766,374 | 3,341,390,231 | 3,362,274,854 | 3,118,066,181 |
| Distribution costs | | 1,298,057,365 | 986,386,991 | 1,280,264,292 | 970,286,174 |
| Administrative expenses | | 556,071,734 | 512,238,340 | 523,146,189 | 473,307,701 |
| Total expenses | | 5,485,895,473 | 4,840,015,562 | 5,165,685,335 | 4,561,660,056 |
| Profit from operating activities | | 1,566,893,956 | 1,367,694,532 | 1,543,723,427 | 1,404,587,386 |
| Finance costs | 4 | (2,052,261) | (2,552,621) | (1,461,084) | (1,812,606) |
| Reversal of impairment loss (impairment loss) | | | | | |
| determined in accordance with TFRS 9 | 6, 23 | 2,699,195 | (19,739,921) | (125,085) | (714,966) |
| Loss from loss of control | 9 | (2,548,480) | - | - | - |
| Share of loss of associates and joint venture | | | | | |
| accounted for using equity method | 8 | (1,211,072) | (20,119,990) | - | - |
| Profit before income tax expense | | 1,563,781,338 | 1,325,282,000 | 1,542,137,258 | 1,402,059,814 |
| Tax expense | | 297,869,073 | 274,765,233 | 295,603,143 | 280,814,728 |
| Profit for the year | | 1,265,912,265 | 1,050,516,767 | 1,246,534,115 | 1,121,245,086 |
| Profit (loss) attributable to: | | | | | |
| Owners of the parent | | 1,252,546,123 | 1,074,198,630 | 1,246,534,115 | 1,121,245,086 |
| Non-controlling interests | 10 | 13,366,142 | (23,681,863) | - | - |
| | | 1,265,912,265 | 1,050,516,767 | 1,246,534,115 | 1,121,245,086 |
| Basic earnings per share | 21 | 4.07 | 3.49 | 4.05 | 3.64 |

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 | |
| | | 2024 | 2023 | 2024 | 2023 |
| <i>(in Baht)</i> | | | | | |
| Profit for the year | | 1,265,912,265 | 1,050,516,767 | 1,246,534,115 | 1,121,245,086 |
| Other comprehensive income | | | | | |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | | | |
| Exchange differences on translating financial statements | | 677,623 | 618,119 | - | - |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | | |
| Gain on remeasurements of defined benefit plans | 14 | 770,945 | - | - | - |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | | (154,189) | - | - | - |
| Total items that will not be reclassified subsequently to profit or loss | | 616,756 | - | - | - |
| Other comprehensive income for the year, net of tax | | 1,294,379 | 618,119 | - | - |
| Total comprehensive income for the year | | 1,267,206,644 | 1,051,134,886 | 1,246,534,115 | 1,121,245,086 |
| Total comprehensive income (expense) attributable to: | | | | | |
| Owners of the parent | | 1,253,975,787 | 1,075,016,702 | 1,246,534,115 | 1,121,245,086 |
| Non-controlling interests | 10 | 13,230,857 | (23,881,816) | - | - |
| | | 1,267,206,644 | 1,051,134,886 | 1,246,534,115 | 1,121,245,086 |

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 | | 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 | | Equity attributable to owners of the parent | Non-controlling interests |
| 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 | 16 | - | 5,907,085 | - | - | - | - | - | - | 5,907,085 | - | 5,907,085 |
| Share-based payment transactions | 16 | - | - | (12,565,270) | - | - | 12,565,270 | (12,565,270) | - | (12,565,270) | - | (12,565,270) |
| Dividends | 22 | - | - | - | - | - | - | (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 (expense) 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

| | | Consolidated financial statements | | | | | | | | | | | |
|---|-----------------------------------|-----------------------------------|---------------|-----------------------------|-----------------|---|----------------------------|-------------------------|------------------------|---------------------|---|---------------------------|---------------|
| | | Retained earnings | | | | | Other components of 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 | Equity attributable to owners of the parent | Non-controlling interests | Total equity |
| | | <i>Note</i> | | | | | | <i>(in Baht)</i> | | | | | |
| Year ended 31 December 2024 | | | | | | | | | | | | | |
| Balance at 1 January 2024 | | | 308,289,080 | 1,082,229,917 | 5,907,085 | (12,565,270) | 30,843,808 | 12,565,270 | 2,392,263,760 | 2,338,956 | 3,817,507,264 | 78,358,041 | 3,895,865,305 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | | |
| Contributions by and distributions to owners of the parent | | | | | | | | | | | | | |
| | Shares options exercised | 16 | - | - | 18,058,488 | - | - | - | - | - | 18,058,488 | - | 18,058,488 |
| | Share-based payment transactions | 16 | - | - | - | (26,411,173) | - | 26,411,173 | (26,411,173) | - | (26,411,173) | - | (26,411,173) |
| | Dividends | 22 | - | - | - | - | - | - | (670,737,124) | - | (670,737,124) | - | (670,737,124) |
| Total contributions by and distributions to owners of the parent | | | - | - | 18,058,488 | (26,411,173) | - | 26,411,173 | (697,148,297) | - | (679,089,809) | - | (679,089,809) |
| Changes in ownership interests in subsidiary | | | | | | | | | | | | | |
| | Loss of non-controlling interests | 9 | - | - | - | 4,365,342 | - | - | (4,365,342) | (74,141) | (74,141) | 7,013,346 | 6,939,205 |
| Total changes in ownership interests in subsidiary | | | - | - | - | 4,365,342 | - | - | (4,365,342) | (74,141) | (74,141) | 7,013,346 | 6,939,205 |
| Total transactions with owners, recorded directly in equity | | | - | - | 18,058,488 | (26,411,173) | - | 26,411,173 | (701,513,639) | (74,141) | (679,163,950) | 7,013,346 | (672,150,604) |
| Comprehensive income for the year | | | | | | | | | | | | | |
| | Profit | | - | - | - | - | - | - | 1,252,546,123 | - | 1,252,546,123 | 13,366,142 | 1,265,912,265 |
| | Other comprehensive income | | - | - | - | - | - | - | 616,756 | 812,908 | 1,429,664 | (135,285) | 1,294,379 |
| Total comprehensive income for the year | | | - | - | - | - | - | - | 1,253,162,879 | 812,908 | 1,253,975,787 | 13,230,857 | 1,267,206,644 |
| Balance at 31 December 2024 | | | 308,289,080 | 1,082,229,917 | 23,965,573 | (38,976,443) | 30,843,808 | 38,976,443 | 2,943,913,000 | 3,077,723 | 4,392,319,101 | 98,602,244 | 4,490,921,345 |

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 | |
| Note | | | | | | | | |
| 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 | | | | | | | | |
| <i>Contributions by and distributions to owners</i> | | | | | | | | |
| 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) |
| <i>Total contributions by and distributions to owners</i> | | | 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 changes in equity

| | Separate financial statements | | | | | | | Total equity |
|--|----------------------------------|----------------------|-----------------------------|---------------------|-------------------------|-------------------|----------------------|----------------------|
| | Issued and paid-up share capital | Share premium | Share-based payment reserve | Treasury shares | Retained earnings | | | |
| | | | | | Treasury share reserves | Legal reserve | Unappropriated | |
| Note | <i>(in Baht)</i> | | | | | | | |
| Year ended 31 December 2024 | | | | | | | | |
| Balance at 1 January 2024 | 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 |
| Transactions with owners, recorded directly in equity | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | |
| Shares options exercised | 16 | - | 18,058,488 | - | - | - | - | 18,058,488 |
| Share-based payment transactions | 16 | - | - | (26,411,173) | - | 26,411,173 | (26,411,173) | (26,411,173) |
| Dividends | 22 | - | - | - | - | - | (670,737,124) | (670,737,124) |
| Total contributions by and distributions to owners | | | 18,058,488 | (26,411,173) | | 26,411,173 | (697,148,297) | (679,089,809) |
| Comprehensive income for the year | | | | | | | | |
| Profit | - | - | - | - | - | - | 1,246,534,115 | 1,246,534,115 |
| Total comprehensive income for the year | | | | | | | 1,246,534,115 | 1,246,534,115 |
| Balance at 31 December 2024 | 308,289,080 | 1,082,229,917 | 23,965,573 | (38,976,443) | 30,843,808 | 38,976,443 | 3,063,057,526 | 4,508,385,904 |

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 | |
| | | 2024 | 2023 | 2024 | 2023 |
| <i>(in Baht)</i> | | | | | |
| Cash flows from operating activities | | | | | |
| Profit for the year | | 1,265,912,265 | 1,050,516,767 | 1,246,534,115 | 1,121,245,086 |
| <i>Adjustments to reconcile profit to cash receipts (payments)</i> | | | | | |
| Tax expense | | 297,869,073 | 274,765,233 | 295,603,143 | 280,814,728 |
| Finance costs | | 2,052,261 | 2,552,621 | 1,461,084 | 1,812,606 |
| Depreciation | 11, 20 | 229,854,924 | 170,304,047 | 211,824,561 | 150,766,148 |
| Amortisation | 20 | 7,433,666 | 7,793,209 | 6,504,154 | 6,650,937 |
| (Reversal of) impairment loss recognised in profit or loss | | (2,699,195) | 19,739,921 | 125,085 | 714,966 |
| (Reversal of) loss on inventories devaluation | | (9,083,184) | 6,145,133 | (2,821,342) | (4,773,802) |
| Unrealised (gain) loss on foreign exchange | | (9,917,355) | 6,461,607 | (10,250,360) | 6,056,872 |
| Gain on fair value adjustment of other current financial assets | 23 | (25,410,526) | (22,790,566) | (25,410,526) | (22,790,566) |
| Gain on sale of other current financial assets | 23 | (10,412,548) | (4,912,013) | (10,412,548) | (4,912,013) |
| Loss on disposal and written-off plant and equipment and intangible assets | | 4,405,559 | 12,375,644 | 1,779,621 | 12,176,100 |
| Impairment loss on plant and equipment | 11 | 1,103,748 | - | - | - |
| Share of loss of associates and joint venture accounted for using equity method, net of tax | | 1,211,072 | 20,119,990 | - | - |
| Provisions for employee benefits | | 78,507,581 | 32,884,734 | 77,930,295 | 32,219,631 |
| Share-based payment | 16 | 18,058,488 | 5,907,085 | 18,058,488 | 5,907,085 |
| Interest income | 19 | (8,034,105) | (3,770,704) | (8,248,843) | (4,307,456) |
| Loss from loss of control | 9 | 2,548,480 | - | - | - |
| | | <u>1,843,400,204</u> | <u>1,578,092,708</u> | <u>1,802,676,927</u> | <u>1,581,580,322</u> |
| <i>Changes in operating assets and liabilities</i> | | | | | |
| Trade accounts receivable | | (61,631,972) | (25,751,111) | (65,557,649) | (31,099,888) |
| Other current receivables | | 97,887,754 | (178,335,545) | 107,476,008 | (178,175,568) |
| Inventories | | 208,607,374 | 484,342 | 210,809,759 | (28,286,863) |
| Other current assets | | (41,518,316) | 1,941,765 | (40,624,079) | 1,797,780 |
| Other non-current assets | | 1,139,463 | (1,249,566) | (1,096,345) | (168,680) |
| Trade accounts payable | | (69,635,326) | 40,407,861 | (77,874,749) | 39,376,182 |
| Other current payables | | (346,462,215) | 487,332,873 | (373,279,462) | 499,092,240 |
| Other non-current liabilities | | 137,479 | (516,909) | - | - |
| Foreign currency translation differences of subsidiaries | | - | 601,549 | - | - |
| Net cash generated from operation | | <u>1,631,924,445</u> | <u>1,903,007,967</u> | <u>1,562,530,410</u> | <u>1,884,115,525</u> |
| Provisions for employee benefits paid | | (975,000) | (1,100,000) | (975,000) | (1,100,000) |
| Taxes paid | | <u>(322,998,194)</u> | <u>(238,212,710)</u> | <u>(322,656,430)</u> | <u>(237,644,946)</u> |
| Net cash from operating activities | | <u>1,307,951,251</u> | <u>1,663,695,257</u> | <u>1,238,898,980</u> | <u>1,645,370,579</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 financial statements | | Separate financial statements | |
|---|------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | Year ended 31 December | | Year ended 31 December | |
| | | 2024 | 2023 | 2024 | 2023 |
| <i>(in Baht)</i> | | | | | |
| <i>Cash flows from investing activities</i> | | | | | |
| Payment on investments in subsidiary | 9 | - | - | - | (7,000,000) |
| Proceeds from return in shares of joint venture | 8 | 22,200,000 | - | - | - |
| Acquisition of other current financial assets | 23 | (5,477,464,522) | (3,935,902,333) | (5,477,464,522) | (3,935,902,333) |
| Proceeds from sale of other current financial assets | 23 | 6,468,506,339 | 3,835,902,333 | 6,468,506,339 | 3,835,902,333 |
| Acquisition of other financial assets | 23 | (6,801,020) | (10,629,540) | (6,801,020) | (10,629,540) |
| Proceeds from sale of other financial assets | 23 | 20,000,000 | 17,000,000 | 20,000,000 | 17,000,000 |
| Acquisition of plant and equipment | | (1,388,748,575) | (776,477,464) | (1,387,540,516) | (770,524,070) |
| Proceeds from sale of plant and equipment | | 1,651,935 | 1,069,659 | 1,635,514 | 1,056,075 |
| Acquisition of intangible assets | | (29,002,575) | (2,972,196) | (28,877,576) | (2,600,874) |
| Proceeds from repayment of loans to related party | | - | - | 3,060,000 | - |
| Interest received | | 8,094,840 | 3,680,787 | 8,503,153 | 3,680,787 |
| Net cash used in investing activities | | (381,563,578) | (868,328,754) | (398,978,628) | (869,017,622) |
| <i>Cash flows from financing activities</i> | | | | | |
| Proceeds from bank overdrafts | | - | (1,056,720) | - | - |
| Proceeds from repayment of loans to related parties | 4 | (2,940,000) | - | - | - |
| Payments to owners to acquire or redeem the equity's shares | 16 | (26,411,173) | (12,565,270) | (26,411,173) | (12,565,270) |
| Payment of lease liabilities | | (11,516,428) | (10,746,742) | (11,045,934) | (10,296,538) |
| Dividend paid to owners of the Company | 22 | (670,737,124) | (508,664,937) | (670,737,124) | (508,664,937) |
| Interest paid | | (3,176,696) | (2,292,665) | (1,461,084) | (1,812,606) |
| Net cash used in financing activities | | (714,781,421) | (535,326,334) | (709,655,315) | (533,339,351) |
| Net increase in cash and cash equivalents, before effect of exchange rates | | 211,606,252 | 260,040,169 | 130,265,037 | 243,013,606 |
| Effect of exchange rate changes on cash and cash equivalents | | 1,106,911 | (4,641,662) | (486,190) | (4,641,662) |
| Net increase in cash and cash equivalents | | 212,713,163 | 255,398,507 | 129,778,847 | 238,371,944 |
| Cash and cash equivalents at 1 January | | 554,204,035 | 298,805,528 | 488,360,925 | 249,988,981 |
| Effect of loss of control in subsidiary | 9 | (3,759,542) | - | - | - |
| Cash and cash equivalents at 31 December | 5 | 763,157,656 | 554,204,035 | 618,139,772 | 488,360,925 |
| <i>Non-cash transactions</i> | | | | | |
| Outstanding payables for purchases of plant and equipment | | 68,279,647 | 16,606,354 | 68,132,032 | 16,402,387 |
| Outstanding payables for purchases of intangible assets | | 161,327 | 769,324 | 141,827 | 624,824 |

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 2024

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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 24 February 2025.

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, Bangkok 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 2024 and 2023 were as following;

| Name of company | Nature of business | Country of incorporation /Nationality | Ownership interest (%) | |
|--|---|---------------------------------------|------------------------|-------|
| | | | 2024 | 2023 |
| <i>Direct subsidiaries</i> | | | | |
| Sappe Europe s.r.o. | Distributing health drinking product | Slovakia | - | 60 |
| Sappe Holding (Thailand) Co., Ltd. | Group management service | Thailand | 100 | 100 |
| <i>Indirect subsidiaries</i> | | | | |
| 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 |
| with subsidiaries as follows : | | | | |
| - 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 | 100 |
| <i>Indirect associates</i> | | | | |
| 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 |
| <i>Indirect joint venture</i> | | | | |
| 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 2024

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 Material 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. 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.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss.

The Group has significant influence/joint control over an investee as disclosed in note 8. The Group recognised investments in associates and joint venture using the equity method in the consolidated financial statements in which the equity method is applied, until the date on which significant influence or joint control ceases. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements in which the equity method is applied include the Group’s dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees.

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 ventures 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 meets the definition of a business and control is transferred to the Group, other than business combinations with entities under common control. The Group elect to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 3(1)). Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (see note 3(p)).

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

Any contingent consideration is measured at fair value at the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and 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 estimates 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 are 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 Company'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.

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 currency 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.

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

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 measurement

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; fair value through other comprehensive income (FVOCI); or 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.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to 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.

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.

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

The difference between the carrying amount extinguished and the consideration receive 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 the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at the end of each reporting. 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 receivable

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, and loan commitments issued which are not measured at FVTPL.

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 asset 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 takes action 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 2024

(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 the Group has no reasonable expectations of recovering.

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. |

In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

(h) Property, plant and equipment

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

Cost 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.

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.

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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.

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

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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 (CGU) 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 assessed from the estimated future cash flows 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 or CGU.

An impairment loss of asset 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.

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 their arise.

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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

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 a 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.

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

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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.

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 or at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences; 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.

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4 Related parties

Relationships with subsidiaries, associates and joint venture are described in notes 1, 8 and 9. Other related parties which 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 director |
| 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) |

| <i>Significant transactions with related parties</i> <i>Year ended 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|---------|--|---------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Sales of goods | - | - | 16 | 8 |
| Purchase of goods | - | - | 122,099 | 74,062 |
| Purchases of machinery and equipment | - | - | 250 | - |
| Other income | - | - | - | 4 |
| Interest income | - | - | 142 | 537 |
| Distribution costs and administrative expenses | - | - | 210 | 1,570 |
| Joint venture | | | | |
| Sales of goods | - | 1,188 | - | 1,188 |
| Purchase of goods | 4,707 | 22,671 | 4,707 | 22,671 |
| Other income | - | 1,782 | - | 1,782 |
| Associates | | | | |
| Sales of goods | 23 | - | 23 | - |
| Purchase of goods | 153,246 | 135,674 | 153,246 | 135,674 |
| Other income | 959 | 996 | 959 | 996 |
| Other related parties | | | | |
| Sales of goods | - | 4,172 | - | - |
| Purchases of equipment | 1,505 | 504 | 1,505 | 504 |
| Other income | 135 | 147 | 135 | 147 |
| Consultant fee | 1,200 | 1,200 | 1,200 | 1,200 |
| Distribution costs and administrative expenses | - | 577 | - | 500 |
| Interest expense | 136 | 233 | - | - |
| Key management personnel | | | | |
| Short-term employee benefit and others | 237,439 | 113,856 | 237,439 | 113,856 |
| Long-term employee benefit | 28,254 | 12,972 | 28,254 | 12,972 |
| Share-based payments | 7,434 | 2,908 | 7,434 | 2,908 |

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Intercompany sales to and purchase from associates and joint venture described above excluded co-packing and distribution with an indirect associate and a joint venture of Baht 147.06 million for the year ended 31 December 2024 (2023: Baht 130.65 million).

| <i>Balances with related parties</i> <i>As at 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Trade accounts receivable</i> | | | | |
| Joint venture | - | 930 | - | 930 |
| Associates | 71 | 3,188 | 71 | 3,188 |
| Other related parties | - | 450 | - | - |
| Total | 71 | 4,568 | 71 | 4,118 |
| <i>Other current receivables</i> | | | | |
| Subsidiaries | - | - | 13,427 | 23,302 |
| Joint venture | - | 384 | - | 384 |
| Associates | 80 | 104 | 80 | 104 |
| Other related parties | 11 | 12 | 11 | 12 |
| | 91 | 500 | 13,518 | 23,802 |
| <i>Less</i> allowance for expected credit loss | - | - | (11,846) | (15,500) |
| Net | 91 | 500 | 1,672 | 8,302 |
| <i>Loans to</i> | | | | |
| Subsidiaries | - | - | 2,550 | 14,516 |
| <i>Less</i> allowance for expected credit loss | - | - | - | (8,906) |
| Net | - | - | 2,550 | 5,610 |
| <i>Other non-current assets</i> | | | | |
| Other related parties | 2,230 | 2,230 | 2,230 | 2,230 |
| <i>Expected credit losses</i> | | | | |
| <i>Year ended 31 December</i> | | | | |
| | <i>(in thousand Baht)</i> | | | |
| Other current receivables | - | - | 515 | 933 |
| Loans to | - | - | 230 | 288 |
| <i>Balances with related parties</i> | | | | |
| <i>As at 31 December</i> | | | | |
| | <i>(in thousand Baht)</i> | | | |
| <i>Trade accounts payable</i> | | | | |
| Subsidiaries | - | - | 11,039 | 12,759 |
| Joint venture | - | 4,412 | - | 4,412 |
| Associates | 8,003 | 22,365 | 8,003 | 22,365 |
| Total | 8,003 | 26,777 | 19,042 | 39,536 |
| <i>Other current payable</i> | | | | |
| Subsidiaries | - | - | 7,041 | 4,833 |
| Other related parties | 467 | 1,443 | 110 | - |
| Total | 467 | 1,443 | 7,151 | 4,833 |

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| <i>Balances with related parties</i> <i>As at 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Lease liability</i> | | | | |
| Other related parties | <u>30,118</u> | <u>37,886</u> | <u>23,418</u> | <u>31,089</u> |
| <i>Loans from</i> | | | | |
| Other related parties | <u>2,450</u> | <u>9,470</u> | <u>-</u> | <u>-</u> |
| <i>Other non-current liability</i> | | | | |
| Other related parties | <u>-</u> | <u>4,149</u> | <u>-</u> | <u>-</u> |

On 13 March 2024, the Company has entered into an agreement to set-off the loan to Sappe Europe s.r.o. amounting to EUR 0.26 million or equivalent to Baht 9.14 million, including related accrued interest income of EUR 0.11 million or equivalent to Baht 4.17 million. However, the Company has recognised the allowance for expected credit loss for the entire of said amount. As a result, the set-off transaction has no impact on the separate statement of income for the year ended 31 December 2024.

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.

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(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.

(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.

5 Cash and cash equivalents

| | Consolidated | | Separate | |
|---------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Cash on hand | 85 | 48 | - | - |
| Cash at banks | 763,073 | 554,156 | 618,140 | 488,361 |
| Total | 763,158 | 554,204 | 618,140 | 488,361 |

6 Trade accounts receivable

| | Consolidated | | Separate | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| <i>At 31 December</i> | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Within credit terms | 231,685 | 146,091 | 225,236 | 136,360 |
| Overdue | | | | |
| Less than 3 months | 156,258 | 132,400 | 151,981 | 124,622 |
| 3 - 6 months | 378 | 48,172 | 378 | 48,146 |
| 6 - 12 months | 39 | 433 | 39 | 380 |
| More than 12 months | 23,050 | 27,332 | 3,167 | 4,416 |
| Total | 411,410 | 354,428 | 380,801 | 313,924 |
| <i>Less</i> allowance for expected credit loss | <i>(22,395)</i> | <i>(26,007)</i> | <i>(2,500)</i> | <i>(2,889)</i> |
| Net | 389,015 | 328,421 | 378,301 | 311,035 |

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| <i>Allowance for expected credit loss</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------|--|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | 26,007 | 5,218 | 2,889 | 3,326 |
| Addition | - | 20,789 | - | - |
| Reversal | (3,612) | - | (389) | (437) |
| At 31 December | 22,395 | 26,007 | 2,500 | 2,889 |

Information of credit risk is disclosed in note 23 (b.1).

7 Inventories

| | Consolidated financial statements | | Separate financial statements | |
|---|--|------------------|--|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Finished goods | 108,535 | 382,539 | 88,267 | 359,476 |
| Trading goods | 6,273 | 17,533 | 6,004 | 17,051 |
| Work in progress | 7,482 | 11,407 | 7,428 | 10,728 |
| Raw materials | 64,344 | 22,235 | 62,927 | 21,631 |
| Package and packing material | 48,736 | 29,019 | 43,704 | 25,058 |
| Spare parts, factory supplies and others | 18,019 | 4,746 | 13,739 | 285 |
| Goods in transit | 2,631 | 1,281 | 2,631 | 1,281 |
| Total | 256,020 | 468,760 | 224,700 | 435,510 |
| <i>Less</i> Allowance for decline in value | (5,709) | (2,725) | (4,809) | (1,484) |
| Allowance for slow moving | (16,139) | (28,207) | (10,915) | (17,062) |
| Net | 234,172 | 437,828 | 208,976 | 416,964 |
| Inventories recognised in ‘cost of sales of goods’: | | | | |
| - Cost | 3,634,929 | 3,344,923 | 3,365,097 | 3,122,840 |
| - Write-down to net realisable value (reversal) | 2,984 | 740 | 3,325 | (501) |
| - Reversal of write-down | (6,147) | (4,273) | (6,147) | (4,273) |
| Net | 3,631,766 | 3,341,390 | 3,362,275 | 3,118,066 |
| Inventories recognised in ‘administrative expenses’: | (5,921) | - | - | - |

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8 Investment in associates and joint venture

| | Type of business | Ownership interest (%) | | Consolidated financial statements | | | | | |
|--------------------------------------|--|------------------------|------|-----------------------------------|----------------|----------------|----------------|------------------|---------------|
| | | 2024 | 2023 | Paid-up capital | | Cost | | At equity method | |
| | | | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | | | | <i>(in thousand Baht)</i> | | | | | |
| <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 | 19,470 | 19,110 |
| M Intelligence Co., Ltd. | Distributing digital transformation products | 16.2 | 16.2 | 4,947 | 4,947 | 70,000 | 70,000 | 56,073 | 56,740 |
| | | | | 145,000 | 145,000 | 145,000 | 145,000 | 75,543 | 75,850 |
| <i>Indirect joint venture</i> | | | | | | | | | |
| WOPE Co., Ltd. | Distributing candy and coffee products | 60.0 | 60.0 | 50,000 | 50,000 | 7,800 | 30,000 | 224 | 23,329 |

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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WOPE Co., Ltd.

At the Board of Directors' meeting of the Company held on 13 August 2024, the Board of Directors resolved to approve the dissolution of WOPE Co., Ltd., a joint venture of the Company. The Group received a partial capital return from such liquidation of the joint venture amounting to Baht 22.20 million in December 2024.

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. | |
|--|---------------------------------|----------------------|
| | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | |
| Revenue | 153,269 | 130,809 |
| Profit (loss) from continuing operations | 1,932 | (2,137) |
| Total comprehensive income (100%) | <u>1,932</u> | <u>(2,137)</u> |
| Total comprehensive income of the Group's interest | 483 | (534) |
| Elimination of unrealised profit on downstream sales and upstream purchase | (122) | (454) |
| Group's share of total comprehensive income | <u>361</u> | <u>(988)</u> |
| Current assets | 88,525 | 93,785 |
| Non-current assets | - | 22 |
| Current liabilities | (2,602) | (9,816) |
| Net assets (100%) | <u>85,923</u> | <u>83,991</u> |
| Group's share of net assets | 21,481 | 20,998 |
| Elimination of unrealised profit on downstream sales and upstream purchase | (2,011) | (1,888) |
| Carrying amount of interest in associate | <u>19,470</u> | <u>19,110</u> |

Immaterial associates and joint venture

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

| | M Intelligence Co., Ltd. | | WOPE Co., Ltd. | |
|--|---------------------------|------------------------|---------------------|-----------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Carrying amount of interests in immaterial associate and joint venture | 56,073 | 56,740 | 224 | 23,329 |
| Group's share of: | | | | |
| - Loss from continuing operations | <u>(667)</u> | <u>(12,286)</u> | <u>(905)</u> | <u>(6,845)</u> |
| - Total comprehensive income (expense) | <u>(667)</u> | <u>(12,286)</u> | <u>(905)</u> | <u>(6,845)</u> |

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9 Investments in subsidiaries

| | Ownership interest (%) | | Paid-up capital | | Separate financial statements | | | | | |
|---|------------------------|------|------------------|-----------|-------------------------------|----------------|----------|----------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | | | | | <i>(in thousand Baht)</i> | | | | | |
| <i>Direct subsidiaries</i> | | | | | | | | | | |
| Sappe Europe s.r.o. | - | 60 | - | EUR 6,639 | - | - | - | - | - | - |
| Sappe Holding (Thailand) Co., Ltd. | 100 | 100 | Baht 427 million | | 427,000 | 427,000 | - | - | 427,000 | 427,000 |
| Total | | | | | 427,000 | 427,000 | - | - | 427,000 | 427,000 |
| <i>Indirect subsidiaries</i> | | | | | | | | | | |
| Sappe Trading (Hong Kong) Company Limited | 100 | 100 | HKD 100,000 | | 454 | 454 | (454) | (454) | - | - |
| Sappe Hong Kong Company Limited | 100 | 100 | HKD 3,000,000 | | 13,980 | 13,980 | (13,980) | (13,980) | - | - |
| Sappe Trading (Shanghai) Co., Ltd. | 100 | 100 | CNY 2,000,000 | | 10,173 | 10,173 | (10,173) | (10,173) | - | - |
| All Coco Group Co., Ltd. | 51 | 51 | Baht 168 million | | 196,350 | 196,350 | - | - | 196,350 | 196,350 |
| SAPPE Philippines Corporation | 100 | 100 | PHP 10,981,738 | | 6,860 | 6,860 | - | - | 6,860 | 6,860 |

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

| <i>Material movement for the year ended 31 December</i> | Separate financial statements | |
|---|--|-------|
| | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | |
| Increase capital of Sappe Holding (Thailand) Co., Ltd. | - | 7,000 |

Sappe Holding (Thailand) Co., Ltd.

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 24.61 million during the year ended 31 December 2024 (2023: 24.61 million).

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.

Loss of control in Sappe Europe s.r.o.

At the Board of Directors Meeting of the Company held on 10 August 2023, the Board has approved a disposal of entire 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. Consequently, on 13 March 2024, the Company disposed the entire authorized share capital of Sappe Europe s.r.o. with fair value of the consideration received of EUR 3,983 or equivalent to Baht 0.16 million. As a result, the Group has loss control in Sappe Europe s.r.o.. The Group recognised the reversal of difference arise from the common control amounting to Baht 4.37 million directly to retained earnings, and recognised loss from loss of control in a subsidiary in the consolidated statement of income amounting to Baht 2.55 million.

Sappe Public Company Limited and its Subsidiaries
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For the year ended 31 December 2024

**Effect of loss of control on the consolidated statement
of financial position at loss of control date**

On 13 March 2024
(in thousand Baht)

| | |
|---|-----------------|
| <i>Decrease in assets</i> | |
| Cash and cash equivalents | 3,760 |
| Trade account receivables | 4,987 |
| Inventories | 4,132 |
| Other assets | 677 |
| | 13,556 |
| <i>Decrease in liabilities</i> | |
| Trade account payables | (1,563) |
| Other payables | (6,901) |
| Short-term loan from related parties | (4,995) |
| Other liabilities | (4,326) |
| | (17,785) |
| Carrying amounts of net liabilities | (4,229) |
| <i>Less non-controlling interests</i> | 7,013 |
| Carrying amounts of interest in a subsidiary | 2,784 |

Loss from loss of control in a subsidiary recognised in the consolidated statement of comprehensive income was as follow:

| | |
|--|---------------------------|
| | <i>(in thousand Baht)</i> |
| Carrying amounts of interest in a subsidiary | 2,784 |
| Fair value of the consideration received | (162) |
| Translation reserve | (74) |
| Loss from loss of control in a subsidiary | 2,548 |

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. | |
|--|--|-----------------|
| | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | |
| Non-controlling interest percentage | 49% | 49% |
| Current assets | 159,558 | 95,423 |
| Non-current assets | 97,197 | 123,362 |
| Current liabilities | (53,081) | (43,914) |
| Non-current liabilities | (10,388) | (10,784) |
| Net assets | 193,286 | 164,087 |
| Carrying amount of non-controlling interest | 94,710 | 80,403 |
| Revenue | 462,976 | 296,903 |
| Profit (loss) | 28,581 | (48,535) |
| Total comprehensive income (expense) | 28,581 | (48,535) |
| Profit (loss) allocated to non-controlling interest | 14,005 | (23,782) |

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

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 | Vehicles | Asset under construction and installation | |
| | <i>(in thousand Baht)</i> | | | | | | |
| Cost | | | | | | | |
| At 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 and 1 January 2024 | 140,471 | 439,156 | 1,654,844 | 87,877 | 52,498 | 746,133 | 3,120,979 |
| Additions | 52,044 | 2,946 | 10,580 | 177,029 | 9,459 | 1,188,364 | 1,440,422 |
| Transfer | 1,585 | 265,455 | 494,812 | 43,724 | - | (805,576) | - |
| Disposals | (24) | (6,111) | (70,593) | (12,829) | (4,251) | (970) | (94,778) |
| Effect of movements in exchange rates | - | - | 311 | (3) | 61 | - | 369 |
| At 31 December 2024 | 194,076 | 701,446 | 2,089,954 | 295,798 | 57,767 | 1,127,951 | 4,466,992 |
| Depreciation and impairment losses | | | | | | | |
| At 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 and 1 January 2024 | 25,296 | 251,068 | 1,066,516 | 70,056 | 43,172 | - | 1,456,108 |
| Depreciation for the year | 2,936 | 34,374 | 157,912 | 18,834 | 4,383 | - | 218,439 |
| Impairment losses | - | - | 903 | - | - | 201 | 1,104 |
| Disposals | (24) | (5,318) | (68,958) | (12,170) | (3,913) | - | (90,383) |
| Effect of movements in exchange rates | - | - | 311 | (3) | 61 | - | 369 |
| At 31 December 2024 | 28,208 | 280,124 | 1,156,684 | 76,717 | 43,703 | 201 | 1,585,637 |
| Net book value | | | | | | | |
| At 31 December 2023 | 115,175 | 188,088 | 588,328 | 17,821 | 9,326 | 746,133 | 1,664,871 |
| At 31 December 2024 | 165,868 | 421,322 | 933,270 | 219,081 | 14,064 | 1,127,750 | 2,881,355 |

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For the year ended 31 December 2024

| | Separate financial statements (in thousand Baht) | | | | | | Total |
|---|---|------------------------------------|-------------------------|--|---------------|---|------------------|
| | Land and land improvement | Buildings and building improvement | Machinery and equipment | Furniture, fixtures and office equipment | Vehicles | Asset under construction and installation | |
| Cost | | | | | | | |
| At 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 and 1 January 2024 | 132,131 | 361,737 | 1,540,991 | 84,027 | 51,880 | 743,972 | 2,914,738 |
| Additions | 52,044 | 2,586 | 8,852 | 177,003 | 9,459 | 1,189,326 | 1,439,270 |
| Transfer | 1,584 | 265,314 | 494,723 | 43,724 | - | (805,345) | - |
| Disposals | (24) | (6,030) | (66,241) | (12,658) | (4,251) | - | (89,204) |
| At 31 December 2024 | 185,735 | 623,607 | 1,978,325 | 292,096 | 57,088 | 1,127,953 | 4,264,804 |
| Depreciation and impairment losses | | | | | | | |
| At 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 and 1 January 2024 | 23,952 | 219,108 | 1,005,196 | 66,967 | 42,554 | - | 1,357,777 |
| Depreciation for the year | 2,762 | 28,779 | 146,816 | 18,341 | 4,383 | - | 201,081 |
| Disposals | (24) | (5,236) | (65,173) | (12,002) | (3,913) | - | (86,348) |
| At 31 December 2024 | 26,690 | 242,651 | 1,086,839 | 73,306 | 43,024 | - | 1,472,510 |
| Net book value | | | | | | | |
| At 31 December 2023 | 108,179 | 142,629 | 535,795 | 17,060 | 9,326 | 743,972 | 1,556,961 |
| At 31 December 2024 | 159,045 | 380,956 | 891,486 | 218,790 | 14,064 | 1,127,953 | 2,792,294 |

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 2024 amounted to Baht 672.68 million and Baht 643.37 million, respectively (2023: Baht 697.09 million and Baht 659.53 million).

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Notes to the financial statements
For the year ended 31 December 2024

12 Goodwill

| | Consolidated financial statements | |
|-----------------------|--|---------------|
| | 2024 | 2023 |
| | <i>(in million Baht)</i> | |
| Cost | | |
| At 1 January | 90,899 | 90,899 |
| At 31 December | 90,899 | 90,899 |
| Net book value | | |
| At 31 December | 90,899 | 90,899 |

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 2024 and 2023.

| | Consolidated financial statements | |
|----------------------------|--|------|
| | 2024 | 2023 |
| | <i>(%)</i> | |
| Discount rate | 8.27 | 5.72 |
| Terminal value growth rate | 1.0 | 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> | 2024 | 2023 | 2024 | 2023 |
| | | <i>(in thousand Baht)</i> | | | |
| Other payables - related parties | 4 | 110 | 829 | 7,151 | 4,833 |
| Accrued interest expense - related parties | 4 | 358 | 614 | - | - |
| Accrued promotional expense | | 345,460 | 448,178 | 330,475 | 445,642 |
| Accrued expenses | | 267,820 | 265,309 | 255,793 | 259,553 |
| Other payables - other parties | | 202,777 | 165,450 | 193,254 | 158,023 |
| Advance received for goods | | 27,866 | 316,761 | 27,866 | 316,761 |
| Others | | 55,616 | 17,436 | 54,423 | 17,331 |
| Total | | 900,007 | 1,214,577 | 868,962 | 1,202,143 |

Sappe Public Company Limited and its Subsidiaries
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14 Provisions for employee benefits

| <i>At 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|--|---------------|--|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Short term employee benefits | 72,161 | 11,110 | 72,161 | 11,110 |
| Post-employment benefits | 83,272 | 69,802 | 81,317 | 67,654 |
| Other long-term employee benefits | 14,931 | 12,690 | 14,931 | 12,690 |
| Total | 170,364 | 93,602 | 168,409 | 91,454 |

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 | |
|---|--|---------------|--|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | 93,602 | 61,817 | 91,454 | 60,334 |
| <i>Recognised in profit or loss:</i> | | | | |
| Current service cost | 76,187 | 30,961 | 75,650 | 30,320 |
| Interest on obligation | 2,321 | 1,924 | 2,280 | 1,900 |
| <i>Recognised in other comprehensive income:</i> | | | | |
| Actuarial (gain) loss | | | | |
| - Demographic assumptions | 160 | - | - | - |
| - Financial assumptions | (248) | - | - | - |
| - Experience adjustment | (683) | - | - | - |
| | 171,339 | 94,702 | 169,384 | 92,554 |
| Benefit paid | (975) | (1,100) | (975) | (1,100) |
| At 31 December | 170,364 | 93,602 | 168,409 | 91,454 |

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 | |
|--|--|-------------|--|--------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(%)</i> | | | |
| Discount rate | 2.88 - 3.15 | 2.49 - 3.15 | 3.15 | 3.15 |
| Future salary growth | 5 | 5 | 5 | 5 |
| Employee turnover | 0 - 34 | 0 - 37 | 0 - 27 | 0 - 27 |

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

As at 31 December 2024, the weighted-average duration of the defined benefit obligation was 21.67 - 27.26 years (2023: 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 2024 | 2023 | 1% decrease in assumption 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Discount rate | (8,736) | (7,598) | 10,186 | 8,908 |
| Future salary growth | 11,150 | 9,017 | (9,622) | (7,788) |
| Employee turnover | (9,457) | (8,243) | 3,781 | 3,517 |
| Future mortality | 483 | 417 | (479) | (414) |

| <i>Effect to the defined benefit obligation At 31 December</i> | Separate financial statements | | | |
|--|--------------------------------------|---------|-----------------------------------|---------|
| | 1% increase in assumption 2024 | 2023 | 1% decrease in assumption 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Discount rate | (8,517) | (7,344) | 9,932 | 8,610 |
| Future salary growth | 10,887 | 8,663 | (9,393) | (7,486) |
| Employee turnover | (9,219) | (7,966) | 3,698 | 3,411 |
| Future mortality | 470 | 402 | (466) | (399) |

15 Share capital

| | Par value per share <i>(in Baht)</i> | 2024 | | 2023 | |
|----------------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Number | Baht | Number | Baht |
| Authorised shares at 31 December | | <u>308,289</u> | <u>308,289</u> | <u>308,289</u> | <u>308,289</u> |
| <i>Issued and paid-up shares</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 1 | <u>308,289</u> | <u>308,289</u> | <u>308,289</u> | <u>308,289</u> |
| 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.

At the Board of Directors Meeting held on 1 March 2024, 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 year ended 31 December 2024 were Baht 18.06 million (2023: Baht 5.91 million).

During the year ended 31 December 2024, the Company recognised increase in treasury shares of 249,717 shares, amounting to Baht 26.41 million. At 31 December 2024, the Company holds the company shares under the Employee Joint Investment Program (EJIP) for 397,509 shares, which represents 0.13 percent of the total paid-up share capitals, amounting to Baht 38.98 million (31 December 2023: Baht 12.57 million).

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 (if any), 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 | 2024 | 2023 | 2024 | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| | <i>(in thousand Baht)</i> | | | | | | | | | | | | |
| Information about reportable segments | | | | | | | | | | | | | |
| External revenues | 6,432,577 | 5,813,355 | 338,941 | 219,808 | 3,860 | 19,405 | 6,775,378 | 6,052,568 | - | - | 6,775,378 | 6,052,568 | |
| Inter-segment revenue | 16 | 8 | 122,309 | 74,265 | - | - | 122,325 | 74,273 | (122,325) | (74,273) | - | - | |
| Total revenue | 6,432,593 | 5,813,363 | 461,250 | 294,073 | 3,860 | 19,405 | 6,897,703 | 6,126,841 | (122,325) | (74,273) | 6,775,378 | 6,052,568 | |
| Disaggregation of revenue | | | | | | | | | | | | | |
| Primary geographical markets | | | | | | | | | | | | | |
| Thailand | 1,115,822 | 974,717 | 341,788 | 251,330 | - | - | 1,457,610 | 1,226,047 | (85,912) | (74,273) | 1,371,698 | 1,151,774 | |
| Asia | 3,416,252 | 2,986,163 | 113,323 | 40,224 | 291 | - | 3,529,866 | 3,026,387 | (36,413) | - | 3,493,453 | 3,026,387 | |
| Europe | 1,254,771 | 1,393,615 | - | 719 | 3,569 | 19,405 | 1,258,340 | 1,413,739 | - | - | 1,258,340 | 1,413,739 | |
| America | 440,948 | 270,576 | 6,139 | 1,800 | - | - | 447,087 | 272,376 | - | - | 447,087 | 272,376 | |
| Others | 204,800 | 188,292 | - | - | - | - | 204,800 | 188,292 | - | - | 204,800 | 188,292 | |
| Total revenue | 6,432,593 | 5,813,363 | 461,250 | 294,073 | 3,860 | 19,405 | 6,897,703 | 6,126,841 | (122,325) | (74,273) | 6,775,378 | 6,052,568 | |
| Major products | | | | | | | | | | | | | |
| Drinks | 5,932,811 | 5,305,216 | 358,616 | 235,635 | 3,860 | 19,405 | 6,295,287 | 5,560,256 | (45,000) | (33,499) | 6,250,287 | 5,526,757 | |
| Healthy food products | 173,305 | 208,901 | - | - | - | - | 173,305 | 208,901 | - | - | 173,305 | 208,901 | |
| Others | 326,477 | 299,246 | 102,634 | 58,438 | - | - | 429,111 | 357,684 | (77,325) | (40,774) | 351,786 | 316,910 | |
| Total revenue | 6,432,593 | 5,813,363 | 461,250 | 294,073 | 3,860 | 19,405 | 6,897,703 | 6,126,841 | (122,325) | (74,273) | 6,775,378 | 6,052,568 | |

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| | Consolidated financial statements | | | | | | | | | | |
|---|-----------------------------------|-----------|------------------|---------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Health drinking products | | Coconut products | | Other segments | | Total | | Eliminate | | Net |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | |
| <i>Year ended 31 December</i> | <i>(in thousand Baht)</i> | | | | | | | | | | |
| Share of profit (loss) of investments in associates and joint venture | 361 | (988) | - | (1,572) | (19,132) | (1,211) | (20,120) | - | - | (1,211) | (20,120) |
| Segment profit (loss) before income tax | 1,542,498 | 1,401,072 | 30,847 | 5,369 | (22,058) | 1,578,714 | 1,324,391 | (14,933) | 891 | 1,563,781 | 1,325,282 |
| Interest income | 8,249 | 4,307 | - | - | - | 8,249 | 4,307 | (215) | (536) | 8,034 | 3,771 |
| Depreciation and amortisation | 218,329 | 157,417 | 18,959 | - | 413 | 237,288 | 178,097 | - | - | 237,288 | 178,097 |
| Tax expense | 295,603 | 280,815 | 2,266 | - | 38 | 297,869 | 274,765 | - | - | 297,869 | 274,765 |
| Investment in associates and joint venture | 19,470 | 19,110 | - | 56,297 | 80,069 | 75,767 | 99,179 | - | - | 75,767 | 99,179 |
| Segment assets | 5,893,429 | 5,693,921 | 256,755 | 237,208 | 240,048 | 6,387,392 | 6,152,754 | (466,552) | (472,513) | 5,920,840 | 5,680,241 |
| Segment liabilities | 1,385,043 | 1,752,980 | 63,469 | 36,803 | 46,049 | 1,485,315 | 1,853,727 | (55,396) | (69,351) | 1,429,919 | 1,784,376 |

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

| <i>Year ended 31 December</i> | Separate financial statements | |
|-------------------------------------|--------------------------------------|------------------|
| | Reportable segments | |
| | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | |
| Disaggregation of revenue | | |
| Primary geographical markets | | |
| Thailand | 1,115,822 | 974,717 |
| Asia | 3,416,252 | 2,986,163 |
| Europe | 1,254,771 | 1,393,615 |
| America | 440,948 | 270,576 |
| Others | 204,800 | 188,292 |
| Total revenue | 6,432,593 | 5,813,363 |
| Major products | | |
| Drinks | 5,932,811 | 5,305,216 |
| Healthy food products | 173,305 | 208,901 |
| Others | 326,477 | 299,246 |
| Total revenue | 6,432,593 | 5,813,363 |

(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.

| Geographical information | Consolidated financial statements | | | |
|---------------------------------|--|------------------|---------------------------|------------------|
| | Revenues | | Non-current assets | |
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Thailand | 1,371,698 | 1,151,774 | 3,223,018 | 2,024,434 |
| Asia | 3,493,453 | 3,026,387 | - | - |
| Europe | 1,258,340 | 1,413,739 | - | - |
| America | 447,087 | 272,376 | - | - |
| Others | 204,800 | 188,292 | - | - |
| Total | 6,775,378 | 6,052,568 | 3,223,018 | 2,024,434 |

(c) *Major customer*

Revenues from 2 major customers of the Group's represent approximately Baht 1,406 million (2023: 2 customers approximately Baht 1,467 million) of the Group's total revenues.

(d) *Promotional privileges*

The Company has been granted promotional certificates by the Office of the Board of Investment for the manufacturer of beverage. The Company has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates, which the Company must comply with.

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

19 Other income

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Freight income | 155,691 | 67,355 | 155,431 | 67,031 |
| Gain on fair value adjustment of other current financial assets | 25,410 | 22,691 | 25,410 | 22,691 |
| Interest income | 8,034 | 3,771 | 8,249 | 4,307 |
| Selling scrap materials income | 14 | - | - | - |
| Others | 69,026 | 52,027 | 67,224 | 47,348 |
| Total | 258,175 | 145,844 | 256,314 | 141,377 |

20 Expenses by nature

| | Consolidated financial statements | | Separate financial statements | |
|---|--|------------------|--|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Changes in inventories of finished goods and work in progress | 277,572 | (22,935) | 274,509 | (76,004) |
| Raw materials and consumables used | 2,335,676 | 2,470,848 | 2,170,366 | 2,383,134 |
| Employee benefit expenses | 632,478 | 631,961 | 574,165 | 591,623 |
| Sale promotion expenses | 786,335 | 609,444 | 782,319 | 606,725 |
| Transportation expenses | 421,470 | 284,561 | 415,412 | 279,497 |
| Depreciation and amortisation expenses | 237,288 | 178,097 | 218,329 | 157,417 |
| Wages | 193,505 | 192,088 | 193,505 | 192,088 |
| Utilities expenses | 123,227 | 135,665 | 103,197 | 112,161 |
| Others | 478,344 | 360,287 | 433,883 | 315,019 |
| Total cost of sales of goods, distribution costs and administrative expenses | 5,485,895 | 4,840,016 | 5,165,685 | 4,561,660 |

During the year 2024, the Group and the Company has contributed provident fund for its employees amounting to Baht 6.45 million and Baht 6.18 million, respectively (2023: Baht 5.88 million and Baht 5.69 million, respectively), which included in employee benefit expenses.

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21 Earnings per share

The calculations of both basic EPS and diluted EPS have been based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding, with the calculation of diluted EPS further adjusted for the effects of all dilutive potential ordinary shares.

| | Consolidated financial statements | | Separate financial statements | |
|--|---|-------------------------|----------------------------------|-------------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht / thousand shares)</i> | | | |
| <i>Profit attributable to ordinary shareholders</i> | | | | |
| Profit attributable to ordinary shareholders of the Company (basic) | <u>1,252,159</u> | <u>1,074,199</u> | <u>1,246,534</u> | <u>1,121,245</u> |
| <i>Ordinary shares outstanding</i> | | | | |
| Number of ordinary shares outstanding at 1 January | 308,289 | 308,289 | 308,289 | 308,289 |
| Effect of repurchasing equity | <u>(271)</u> | <u>(43)</u> | <u>(271)</u> | <u>(43)</u> |
| Weighted average number of ordinary shares outstanding (basic) at 31 December | <u>308,018</u> | <u>308,246</u> | <u>308,018</u> | <u>308,246</u> |
| Earnings per share (basic) (in Baht) | <u>4.07</u> | <u>3.49</u> | <u>4.05</u> | <u>3.64</u> |

22 Dividends

| | Approval date | Payment schedule | Dividend rate per share (in Baht) | Amount (in thousand Baht) |
|----------------------|---------------|------------------|-----------------------------------|---------------------------|
| 2024 | | | | |
| 2023 Annual dividend | 18 April 2024 | 17 May 2024 | 2.18 | 670,737 |
| 2023 | | | | |
| 2022 Annual dividend | 27 April 2023 | 26 May 2023 | 1.65 | 508,665 |

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.

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

| | Consolidated / Separate financial statements | | | | | Fair value | | |
|--|--|---|--|-----------|---------|------------|---------|-----------|
| | Carrying amount | | Fair value | | | | | |
| <i>At 31 December</i> | Financial instruments measured at FVTPL | Financial instruments measured at FVOCI | Financial instruments measured at amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| | <i>(in thousand Baht)</i> | | | | | | | |
| 2024 | | | | | | | | |
| Financial assets | | | | | | | | |
| Other financial assets: | | | | | | | | |
| Fixed deposit at financial institution | - | - | 10,051 | 10,051 | | | | |
| Investment in debt instruments | 992,152 | - | 29,965 | 1,022,117 | - | 1,022,300 | - | 1,022,300 |
| Non-marketable fund of funds | - | 17,431 | - | 17,431 | - | - | 17,431 | 17,431 |
| Total other financial assets | 992,152 | 17,431 | 40,016 | 1,049,599 | | | | |
| Financial liabilities | | | | | | | | |
| Other financial liabilities: | | | | | | | | |
| Derivatives liabilities | (708) | - | - | (708) | - | (708) | - | (708) |
| 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 | | | | |
| Derivatives assets | 1,931 | - | - | 1,931 | - | 1,931 | - | 1,931 |

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

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. |

| Investment movement | Consolidated / Separate financial statements | | | | At 31 December |
|--|---|---------------------------|-----------------|------------------------------|-----------------------|
| | At 1 January | Deposit / Purchase | Disposal | Fair value adjustment | |
| 2024 | | | | | |
| Financial asset | | | | | |
| Fixed deposit at financial institution | - | 10,051 | - | - | 10,051 |
| Debt instruments measured at | | | | | |
| - FVTPL | 1,957,422 | 5,467,413 | (6,468,506) | 35,823 | 992,152 |
| - Amortised cost | 49,896 | - | (20,000) | 69 | 29,965 |
| Non-marketable fund of funds measured at | | | | | |
| - FVOCI | 10,630 | 6,801 | - | - | 17,431 |
| 2023 | | | | | |
| Financial asset | | | | | |
| 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 |

(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.

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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.

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.

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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.

(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> | | | | | |
| 2024 | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | |
| Trade payables | 199,754 | (199,754) | - | - | (199,754) |
| Other current payable | 900,007 | (900,007) | - | - | (900,007) |
| Loan from related parties | 2,450 | (2,450) | - | - | (2,450) |
| Lease liabilities | 49,202 | (11,988) | (28,001) | (19,312) | (59,301) |
| | 1,151,413 | (1,114,199) | (28,001) | (19,312) | (1,161,512) |
| <i>Derivative financial liabilities</i> | | | | | |
| Forward exchange contracts: | | | | | |
| - Cash outflow | (708) | (33,205) | - | - | (33,205) |
| - Cash inflow | - | 32,497 | - | - | 32,497 |
| | (708) | (708) | - | - | (708) |

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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> | | | | | |
| 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> |
| Separate financial statements | | | | | |
| <i>At 31 December</i> | Carrying amount | Contractual cash flows | | | Total |
| | | 1 year or less | More than 1 year but less than 5 years | More than 5 years | |
| <i>(in thousand Baht)</i> | | | | | |
| 2024 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Trade payables | 201,249 | (201,249) | - | - | (201,249) |
| Other current payable | 868,962 | (868,962) | - | - | (868,962) |
| Lease liabilities | 39,485 | (11,077) | (24,228) | (9,758) | (45,063) |
| | <u>1,109,696</u> | <u>(1,081,288)</u> | <u>(24,228)</u> | <u>(9,758)</u> | <u>(1,115,274)</u> |
| Derivative financial liabilities | | | | | |
| Forward exchange contracts: | | | | | |
| - Cash outflow | (708) | (33,205) | - | - | (33,205) |
| - Cash inflow | - | 32,497 | - | - | 32,497 |
| | <u>(708)</u> | <u>(708)</u> | <u>-</u> | <u>-</u> | <u>(708)</u> |
| 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> |

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| <i>At 31 December</i> | Carrying amount | Separate financial statements Contractual cash flows | | | Total |
|---|-----------------|---|---|-------------------|--------------|
| | | 1 year or less | More than 1 year but less than 5 years <i>(in thousand Baht)</i> | More than 5 years | |
| <i>Derivative financial assets</i> | | | | | |
| 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> |

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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| <i>Exposure to foreign currency</i> <i>At 31 December</i> | Consolidated financial statements | | | | | | | | | |
|--|-----------------------------------|---------------|---------------|------------|----------------------------------|------------------|-----------------|---------------|--------------|--------------|
| | 2024 | | | | | 2023 | | | | |
| | USD | EUR | HKD | CNY | PHP <i>(in thousand Baht)</i> | USD | EUR | HKD | CNY | PHP |
| Cash and cash equivalents | 64,585 | 24,942 | 12,101 | 606 | 4,559 | 56,831 | 43,485 | 12,147 | 639 | - |
| Trade accounts receivable | 102,256 | 48,275 | - | - | - | 97,073 | 62,952 | - | - | - |
| Other current receivables | - | 162 | - | - | 311 | - | 1,181 | - | 2,291 | - |
| Interest-bearing liabilities | - | - | - | - | - | - | (4,080) | - | - | - |
| Trade accounts payable | (6,916) | (7,232) | - | (346) | - | (1,605) | (151) | (44) | - | - |
| Other current payables | (162,177) | (29,951) | (323) | (93) | (1,501) | (241,911) | (73,760) | (193) | (53) | (615) |
| Net statement of financial position exposure | (2,252) | 36,196 | 11,778 | 167 | 3,369 | (89,612) | 29,627 | 11,910 | 2,877 | (615) |
| Forward exchange selling contracts | (33,205) | - | - | - | - | (79,172) | (62,952) | - | - | - |
| Net exposure | (35,457) | 36,196 | 11,778 | 167 | 3,369 | (168,784) | (33,325) | 11,910 | 2,877 | (615) |

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| | Separate financial statements | | | | | |
|---|-------------------------------|---------------|--------------|---------------------------|-----------------|-------------|
| | 2024 | | | 2023 | | |
| <i>Exposure to foreign currency</i> | USD | EUR | CNY | USD | EUR | CNY |
| <i>At 31 December</i> | | | | <i>(in thousand Baht)</i> | | |
| Cash and cash equivalents | 64,585 | 24,942 | - | 56,831 | 39,402 | - |
| Trade accounts receivable | 102,256 | 48,275 | - | 97,073 | 58,113 | - |
| Trade accounts payable | (6,916) | (7,232) | (346) | (1,605) | - | (44) |
| Other current payables | (161,453) | (29,951) | - | (241,230) | (66,976) | - |
| Net statement of financial position exposure | (1,528) | 36,034 | (346) | (88,931) | 30,539 | (44) |
| Forward exchange selling contracts | (33,205) | - | - | (79,172) | (58,113) | - |
| Net exposure | (34,733) | 36,034 | (346) | (168,103) | (27,574) | (44) |

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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 | |
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Capital commitments</i> | | | | |
| Machinery, equipment and other constructions | 187,271 | 767,492 | 187,271 | 767,492 |
| Total | <u>187,271</u> | <u>767,492</u> | <u>187,271</u> | <u>767,492</u> |
| <i>Other commitments</i> | | | | |
| Short-term lease commitments | 1,519 | 1,810 | - | 1,403 |
| Service agreement | 3,500 | 3,780 | 1,890 | 1,080 |
| Bank guarantees | 10,616 | 10,616 | 10,616 | 10,616 |
| Total | <u>15,635</u> | <u>16,206</u> | <u>12,506</u> | <u>13,099</u> |