

**Sappe Public Company Limited
and its Subsidiaries**

Condensed interim financial statements
for the three-month period ended
31 March 2021
and
Independent auditor's review report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูเก็ต สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

Independent auditor's report on review of interim financial information

To the Board of Directors of Sappe Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Sappe Public Company Limited and its subsidiaries, and of Sappe Public Company Limited, respectively, as at 31 March 2021; the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2021; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
13 May 2021

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
Assets	Note	2021	2020	2021	2020
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		243,455	194,389	206,021	151,917
Trade accounts receivable	3, 4	391,914	435,588	364,851	418,917
Other current receivables	3	92,050	64,462	88,742	63,019
Short-term loans to related parties	3	-	-	5,610	5,610
Inventories		224,326	221,066	178,655	175,510
Other current financial assets	11	1,416,532	1,415,102	1,416,532	1,415,102
Other current assets		27,362	30,710	26,527	18,118
Total current assets		2,395,639	2,361,317	2,286,938	2,248,193
Non-current assets					
Investment in associates	5	29,903	14,189	-	-
Investment in subsidiaries	6	-	-	320,162	290,162
Property, plant and equipment	7	1,020,742	1,006,221	875,754	881,240
Right-of-use assets	7	63,770	96,763	54,974	63,124
Goodwill		90,899	90,899	-	-
Intangible assets other than goodwill		48,244	49,952	39,144	40,339
Deferred tax assets		17,871	18,306	17,743	18,210
Other non-current assets	3	9,205	9,513	5,395	5,515
Total non-current assets		1,280,634	1,285,843	1,313,172	1,298,590
Total assets		3,676,273	3,647,160	3,600,110	3,546,783

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

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
Liabilities and equity	Note	2021	2020	2021	2020
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
<i>Current liabilities</i>					
Bank overdrafts		1,727	1,462	-	-
Trade accounts payable	3	199,078	217,939	205,358	228,784
Other current payables	3, 8	320,503	360,001	298,244	335,209
Current portion of long-term loans					
from financial institution		5	31	-	-
Short-term loans from related parties	3	9,333	9,352	-	-
Current portion of lease liabilities	3	11,332	25,330	9,986	11,571
Current income tax payable		80,280	56,391	79,051	55,824
Total current liabilities		622,258	670,506	592,639	631,388
<i>Non-current liabilities</i>					
Lease liabilities	3	59,068	65,898	50,503	56,997
Deferred tax liabilities		2,993	2,907	-	-
Non-current provisions for employee benefits		29,452	27,613	28,720	27,021
Other non-current liability	3	4,610	7,128	-	-
Total non-current liabilities		96,123	103,546	79,223	84,018
Total liabilities		718,381	774,052	671,862	715,406

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

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2021	2020	2021	2020
Liabilities and equity		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Equity					
Share capital					
Authorised share capital					
(308,438 ordinary shares, par value at Baht 1 per share)		308,438	308,438	308,438	308,438
Issued and paid-up share capital					
(304,378 ordinary shares, par value at Baht 1 per share)		304,378	304,378	304,378	304,378
Share premium on ordinary shares		975,608	975,608	975,608	975,608
Warrants	9	28,678	27,802	28,678	27,802
Retained earnings					
Legal reserve		30,844	30,844	30,844	30,844
Unappropriated		1,519,862	1,433,294	1,588,740	1,492,745
Difference arising from common control transactions		(4,365)	(4,365)	-	-
Currency translation differences		2,865	4,028	-	-
Equity attributable to owners of the parent		2,857,870	2,771,589	2,928,248	2,831,377
Non-controlling interests		100,022	101,519	-	-
Total equity		2,957,892	2,873,108	2,928,248	2,831,377
Total liabilities and equity		3,676,273	3,647,160	3,600,110	3,546,783

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

Sappe Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Revenue					
Revenue from sale of goods	3, 10	734,289	830,046	673,809	741,108
Other income	3	38,350	14,305	37,858	13,513
Total revenue		772,639	844,351	711,667	754,621
Expenses					
Cost of sales of goods		459,650	533,436	406,487	461,028
Distribution costs	3	118,404	106,005	112,380	98,172
Administrative expenses	3	70,300	75,057	65,238	67,322
Net foreign exchange losses		4,606	25,600	7,056	29,519
Total expenses		652,960	740,098	591,161	656,041
Profit from operating activities		119,679	104,253	120,506	98,580
Finance costs	3	(656)	(863)	(485)	(548)
Reversal of impairment loss (impairment loss)					
determined in accordance with TFRS 9		(170)	1,161	(242)	397
Share of loss of associates accounted for					
using equity method	5, 10	(9,286)	(3,105)	-	-
Profit before income tax expense		109,567	101,446	119,779	98,429
Tax expense		24,519	18,445	23,784	18,674
Profit for the period		85,048	83,001	95,995	79,755
Profit (loss) attributable to:					
Owners of the parent		86,568	82,011	95,995	79,755
Non-controlling interests		(1,520)	990	-	-
		85,048	83,001	95,995	79,755
Earnings per share (in Baht)					
Basic earnings per share		0.28	0.27	0.32	0.26
Diluted earnings per share		0.28	0.27	0.31	0.26

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

Sappe Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2021	2020	2021	2020
	(in thousand Baht)			
Profit for the period	85,048	83,001	95,995	79,755
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(1,140)	(3,051)	-	-
Other comprehensive income (expense) for the period, net of tax	(1,140)	(3,051)	-	-
Total comprehensive income for the period	83,908	79,950	95,995	79,755
Total comprehensive income (expense) attributable to:				
Owners of the parent	85,405	79,258	95,995	79,755
Non-controlling interests	(1,497)	692	-	-
	83,908	79,950	95,995	79,755

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

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

	Consolidated financial statements									
	Retained earnings		Other components of equity							Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Warrants	Legal reserve	Unappropriated reserve	Difference arising from common control transactions	Revaluation reserve	Other components of equity	Equity attributable to owners of the parent	
	Note	share								controlling interests
										equity
<i>(in thousand Baht)</i>										
Three-month period ended 31 March 2020										
Balance at 31 December 2019 - as reported	304,378	975,608	20,931	30,844	1,312,462	(4,365)	7,337	2,972	2,647,195	96,575
Impact of changes in accounting policies	-	-	-	-	(6,762)	-	-	-	(6,762)	(422)
Balance at 1 January 2020	304,378	975,608	20,931	30,844	1,305,700	(4,365)	7,337	2,972	2,640,433	96,153
										2,736,586
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the parent</i>										
Share-based payment transactions	9	-	1,708	-	-	-	-	-	1,708	-
Dividends	-	-	-	-	(252,567)	-	-	-	(252,567)	-
Total contributions by and distributions to owners of the parent	-	-	1,708	-	(252,567)	-	-	-	(250,859)	-
Total transactions with owners, recorded directly in equity										
	-	-	1,708	-	(252,567)	-	-	-	(250,859)	-
										(250,859)
Comprehensive income for the period										
Profit	-	-	-	-	82,011	-	-	-	82,011	990
Other comprehensive income	-	-	-	-	-	-	(2,753)	(2,753)	(2,753)	(298)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	(2,753)	(2,753)	(2,753)	(3,051)
Balance at 31 March 2020	304,378	975,608	22,639	30,844	1,135,144	(4,365)	4,584	219	2,468,832	96,845
										2,565,677

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

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

	Consolidated financial statements							
	Retained earnings				Other components of equity			
	Issued and paid-up share capital	Share premium on ordinary shares	Warrants	Legal reserve	Unappropriated	Difference arising from common control transactions	Revaluation reserve	Total other components of equity
								Equity attributable to owners of the parent
								Non-controlling interests
								Total equity
<i>(in thousand Baht)</i>								
Three-month period ended 31 March 2021								
Balance at 1 January 2021	304,378	975,608	27,802	30,844	1,433,294	(4,365)	4,028	(337)
								2,771,589
								101,519
								2,873,108
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the parent</i>								
Share-based payment transactions	-	-	876	-	-	-	-	-
Total contributions by and distributions to owners of the parent	-	-	876	-	-	-	-	876
Total transactions with owners, recorded directly in equity	-	-	876	-	-	-	-	876
Comprehensive income for the period								
Profit or loss	-	-	-	-	86,568	-	-	-
Other comprehensive income	-	-	-	-	-	-	(1,163)	(1,163)
Total comprehensive income (expense) for the period	-	-	-	-	86,568	-	(1,163)	(1,163)
Balance at 31 March 2021	304,378	975,608	28,678	30,844	1,519,862	(4,365)	2,865	(1,500)
								85,405
								(1,497)
								83,908
								2,957,892

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

Sappe Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements						Total equity
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Warrants	Retained earnings		
					Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>							
Three-month period ended 31 March 2020							
Balance at 31 December 2019 - as reported		304,378	975,608	20,931	30,844	1,365,996	2,697,757
Impact of changes in accounting policies		-	-	-	-	(7,319)	(7,319)
Balance at 1 January 2020		304,378	975,608	20,931	30,844	1,358,677	2,690,438
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Share-based payment transactions	9	-	-	1,708	-	-	1,708
Dividends		-	-	-	-	(252,567)	(252,567)
<i>Total contributions by and distributions to owners</i>		-	-	1,708	-	(252,567)	(250,859)
Comprehensive income for the period							
Profit		-	-	-	-	79,755	79,755
Total comprehensive income for the period		-	-	-	-	79,755	79,755
Balance at 31 March 2020		304,378	975,608	22,639	30,844	1,185,865	2,519,334

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

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

Separate financial statements						
	Retained earnings					
	Issued and paid-up share capital	Share premium on ordinary shares	Warrants	Legal reserve	Unappropriated	Total equity
<i>Note</i>						

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

Sappe Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Cash flows from operating activities					
Profit for the period		85,048	83,001	95,995	79,755
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense		24,519	18,445	23,784	18,674
Finance costs		656	863	485	548
Depreciation		46,623	49,730	41,569	43,411
Amortization		2,222	1,427	1,877	1,390
Impairment loss recognised in profit or loss (Reversal)	4	170	(1,161)	242	(397)
Losses on inventories devaluation (Reversal)		(3,713)	3,103	(3,788)	1,790
Unrealised loss on exchange rates		10,777	24,984	10,828	24,304
Unrealised gain from current investments revaluation		(1,231)	(4,601)	(1,231)	(4,601)
Loss (gain) on sale current investment		(199)	2,922	(199)	2,922
Loss (gain) on sale of plant and equipment		187	497	(104)	(495)
Loss on write off of other intangible assets		168	-	-	-
Share of loss of investments in associates accounted for using equity method, net of tax		9,286	3,105	-	-
Non-current provisions for employee benefits		2,434	1,938	2,294	1,876
Share-based payment		876	1,708	876	1,708
Interest income		(19)	(466)	(148)	(611)
Dividend income		-	(457)	-	(457)
		177,804	185,038	172,480	169,817
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		44,378	(30,584)	54,787	(8,738)
Other current receivables		(31,124)	(11,468)	(29,270)	(9,668)
Inventories		453	(20,163)	643	(15,183)
Other current assets		3,348	125	(8,409)	640
Other non-current assets		308	(473)	120	19
Trade accounts payable		(18,854)	34,935	(23,418)	36,179
Other current payables		(47,398)	(57,520)	(44,964)	(57,622)
Other non-current liabilities		(2,536)	10	-	-
Foreign currency translation differences of subsidiaries		(1,134)	(2,717)	-	-
Net cash generated from operating activities		125,245	97,183	121,969	115,444
Provisions for employee benefits paid		(595)	(440)	(595)	(440)
Taxes paid		(108)	(193)	(90)	(195)
Net cash from operating activities		124,542	96,550	121,284	114,809

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

Sappe Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Cash flows from investing activities					
Payment on investments in subsidiaries	6	-	-	(30,000)	-
Acquisition of associate	5	(25,000)	-	-	-
Acquisition of current investments		(350,000)	(662,152)	(350,000)	(662,152)
Proceeds from sale of current investments		350,000	1,483,799	350,000	1,483,799
Acquisition of other long-term investments		1	-	1	-
Acquisition of plant and equipment		(34,048)	(21,283)	(33,304)	(20,122)
Proceeds from sale of plant and equipment		23	666	23	495
Acquisition of intangible assets		(582)	(1,178)	(582)	(638)
Dividends received		-	457	-	457
Interest received		19	466	19	466
Net cash from (used in) investing activities		(59,587)	800,775	(63,843)	802,305
Cash flows from financing activities					
Proceeds from bank overdraft		265	1,951	-	-
Repayment of long-term loans		(26)	(25)	-	-
Payment of lease liabilities		(15,530)	(4,610)	(2,855)	(2,740)
Interest paid		(601)	(755)	(485)	(549)
Net cash used in financing activities		(15,892)	(3,439)	(3,340)	(3,289)
Net increase in cash and cash equivalents, before effect of exchange rates		49,063	893,886	54,101	913,825
Effect of exchange rate changes on cash and cash equivalents		3	4	3	4
Net increase in cash and cash equivalents		49,066	893,890	54,104	913,829
Cash and cash equivalents at 1 January		194,389	181,695	151,917	124,387
Cash and cash equivalents at 31 March		243,455	1,075,585	206,021	1,038,216
Non-cash transactions					
Outstanding payables for purchases of plant and equipment		7,618	4,537	4,866	1,799
Outstanding payables for purchases of intangible assets		191	1,322	191	-

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

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Related parties
4	Trade accounts receivable
5	Investment in associates
6	Investment in subsidiaries
7	Property, plant and equipment and right-of-use assets
8	Other current payables
9	Warrants
10	Segment information and disaggregation of revenue
11	Financial instruments
12	Commitments with non-related parties
13	Impact of COVID-19 pandemic
14	Event after the reporting period

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 13 May 2021.

1 General information

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

Details of subsidiaries and associates as at 31 March 2021 and 31 December 2020 were as following;

Name of company	Nature of business	Country of incorporation /Nationality	Ownership interest (%)	
			31 March 2021	31 December 2020
Direct subsidiaries				
Sappe Europe s.r.o.	Distributing health drinking product	Slovakia	60	60
Sappe Holding (Thailand) Co., Ltd.	Group management service	Thailand	100	100
Indirect subsidiaries				
Sappe Trading (HongKong) Company Limited	Import, export and distribution of goods	Hong Kong	100	100
Sappe Hong Kong Company Limited	Group management service	Hong Kong	100	100
Sappe Trading (Shanghai) Co., Ltd.	Distributing health drinking product	People's Republic of China	100	100
All Coco Group Co., Ltd.	Producing and distributing coconut products	Thailand	51	51
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
Indirect associates				
Danone Sappe Beverages Co., Ltd.	Distributing health drinking product	Thailand	25	25

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

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

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

The Group has initially applied revised TFRS that are effective for annual periods beginning on or after 1 January 2021 and has not early adopted TFRS which are not yet effective. The application has no material impact on the financial statements.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2020.

3 Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 1, 5 and 6. Other Related parties which have material changes in relationships and that the Group had significant transactions during the period with were as follows:

Name of entities	Country of incorporation		Nature of relationships	
Social Lab Co., Ltd.	Thailand		Held by the directors’ family	
Significant transactions with related parties Three-month period ended 31 March	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	28	-
Purchase of goods	-	-	12,018	6,109
Other income	-	-	3	-
Interest income	-	-	129	145
Distribution costs and administrative expenses	-	-	158	45
Associates				
Sales of goods	7,580	15,496	7,580	15,496
Purchase of goods	42,701	45,123	42,701	45,123
Other income	3,064	3,009	3,064	3,009

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

<i>Significant transactions with related parties</i> <i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related parties				
Sales of goods	943	756	169	3
Purchase of machinery and equipment	1,617	45	1,617	45
Other income	32	335	32	335
Rental and other expenses	32	16	32	16
Consultant fee	300	300	300	300
Distribution costs and administrative expenses	8	8	-	-
Interest expense	57	72	-	-
Key management personnel compensation				
Short-term employee benefit and others	20,562	14,164	20,562	14,164
Long-term employee benefits	562	552	562	552
Share-based payments	77	438	77	438

Intercompany sales to and purchase from associates described above excluded co-packing and distribution with an indirect associate of Baht 30.28 million for the three-month period ended 31 March 2021 (2020: Baht 31.02 million).

Balances as at 31 March 2021 and 31 December 2020 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<i>Trade accounts receivable</i>				
	<i>(in thousand Baht)</i>			
Subsidiary				
All Coco Group Co., Ltd.	-	-	67	37
Associate				
Danone Sappe Beverages Co., Ltd.	18,268	40,046	18,268	40,046
Other related party				
Social Lab Co., Ltd.	181	-	181	-
Italmarket Slovakia, a.s.	398	362	-	-
Net	<u>18,847</u>	<u>40,408</u>	<u>18,516</u>	<u>40,083</u>
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Expected credit losses of trade accounts receivable for the:				
Three-month period ended 31 March	-	22	-	22

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<i>Other current receivables</i>				
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sappe Europe s.r.o.	-	-	2,905	2,832
Sappe Trading (Shanghai) Co., Ltd.	-	-	10,005	10,005
Sappe Holding (Thailand) Co., Ltd.	-	-	-	833
Sappe Trading (Hong kong) Company Limited	-	-	353	306
All Coco Group Co., Ltd.	-	-	2,263	947
All Coco Co., Ltd.	-	-	66	46
Associates				
Danone Sappe Beverages Co., Ltd.	7,117	7,438	7,117	7,438
Other related parties				
Hayashi Products Co., Ltd.	11	30	11	30
	<u>7,128</u>	<u>7,468</u>	<u>22,720</u>	<u>22,437</u>
Less allowance for expected credit loss	-	-	(13,495)	(13,369)
Net	<u>7,128</u>	<u>7,468</u>	<u>9,225</u>	<u>9,068</u>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
(Reversal of) Expected credit losses of other current receivables for the: Three-month period ended 31 March	-	(422)	126	(1)

	Interest rate			Separate financial statements			
	At 31 December 2020	At 31 March 2021	At 31 December 2020	Increase	Decrease	Foreign currency difference	At 31 March 2021
<i>Loans to</i>	<i>(% per annum)</i>			<i>(in thousand Baht)</i>			
Subsidiaries							
Sappe Europe s.r.o.	4	4	8,629	-	-	(38)	8,591
All Coco Group Co., Ltd.	3.2	3.2	3,060	-	-	-	3,060
All Coco Co., Ltd.	3.2	3.2	2,550	-	-	-	2,550
Total			<u>14,239</u>				<u>14,201</u>
Less allowance for expected credit loss			(8,629)				(8,591)
Net			<u>5,610</u>				<u>5,610</u>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
(Reversal of) Expected credit losses of loans to for the: Three-month period ended 31 March	-	-	38	(528)

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<i>Other non-current assets</i>				
		(in thousand Baht)		
Other related parties				
Directors	1,167	1,167	1,167	1,167
Group of Persons Ruckariyapong	1,063	1,063	1,063	1,063
Total	2,230	2,230	2,230	2,230

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<i>Trade accounts payable</i>				
		(in thousand Baht)		
Subsidiary				
All Coco Group Co., Ltd.	-	-	12,245	14,206
Associate				
Danone Sappe Beverages Co., Ltd.	35,804	68,116	35,804	68,116
Total	35,804	68,116	48,049	82,322

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<i>Other current payable</i>				
		(in thousand Baht)		
Subsidiary				
All Coco Group Co., Ltd.	-	-	200	77
Other related parties				
Italmarket Slovakia, a.s.	639	627	-	-
Toyox Trading (Thailand) Co., Ltd.	34	11	34	11
Bangkok Bestbuy Group Co., Ltd.	1,655	-	1,655	-
Director	69	48	-	-
Key management personnel	69	48	-	-
Total	2,466	734	1,889	88

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<i>Lease liabilities</i>				
		(in thousand Baht)		
Other related parties	39,761	41,488	32,727	34,441
Total	39,761	41,488	32,727	34,441

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

	Interest rate		Consolidated financial statements				31 March 2021
	31 December 2020	31 March 2021	31 December 2020	Increase	Decrease	Foreign currency differences	
<i>Loans from</i>	<i>(% per annum)</i>						
Other related parties							
Italmarket							
Slovakia, a.s.	2	2	2,950	-	-	(13)	2,937
Director	0 - 3.2	0 - 3.2	3,617	-	-	(4)	3,613
Key management personnel	3.2	3.2	2,695	-	-	-	2,695
Other related parties	-	-	90	-	-	(2)	88
Total			9,352				9,333

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<i>Other non-current liability</i>				
Other related party				
Director	4,004	4,022	-	-

The memorandum of association of a subsidiary states that the subsidiary has to pay dividends from net profit of Euro 109,076.03 to a shareholder. The first gainer is a shareholder and then the rest of the profit will be allocated according to the proportion of the investment held. As of 31 March 2021, the management considered to recognise a provision following the regulations of the subsidiary of Baht 4.00 million (31 December 2020: Baht 4.02 million) under "Other non-current liabilities" in the consolidated financial statements.

Significant agreements with related parties

(a) *Production agreement*

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

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

4 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>			
Within credit terms	259,506	259,648	248,966	257,632
Overdue:				
Less than 3 months	128,304	172,262	111,927	160,478
3 - 6 months	3,989	3,444	3,732	496
6 - 12 months	213	188	184	131
More than 12 months	1,311	1,285	195	180
Total	393,323	436,827	365,004	418,917
Less allowance for expected credit loss	(1,409)	(1,239)	(153)	-
Net	391,914	435,588	364,851	418,917

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Expected credit loss For the three-month period ended 31 March				
- Additions	170	308	153	124

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

5 Investment in associates

Consolidated financial statements									
Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend Income for the three-month period ended
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021
	(in thousand Baht)								
<i>Indirect associates</i>									
Danone Sappe Beverages Co., Ltd.	25	25	300,000	200,000	75,000	50,000	29,903	14,189	-
Total					75,000	50,000	29,903	14,189	-

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

Acquisition

In February 2021, Danone Sappe Beverages Co., Ltd. increase its registered share capital from Baht 200 million to Baht 300 million by issuing share capital to Baht 100 million (1,000,000 shares at Baht 100 per share). Sappe Holding (Thailand) Co., Ltd., a subsidiary has paid-up share capital amounting to Baht 25 million. The percentage of holding interest of the Group remains unchanged. Danone Sappe Beverages Co., Ltd. registered the increase of share capital with the Ministry of Commerce on 25 February 2021.

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

6 Investments in subsidiaries

Separate financial statements												
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the three-month period ended	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 March 2020
	(in thousand Baht)											
Direct subsidiaries												
Sappe Europe s.r.o.	60	60	EUR 6,639		162	162	-	-	162	162	-	-
			Baht 320 million	Baht 290 million								
Sappe Holding (Thailand) Co., Ltd.	100	100			320,000	290,000	-	-	320,000	290,000	-	-
Total					320,162	290,162	-	-	320,162	290,162	-	-
Indirect subsidiaries												
Sappe Trading (Hong Kong) Company Limited	100	100	HKD 100,000		454	454	(454)	(454)	-	-	-	-
Sappe Hong Kong Company Limited	100	100	HKD 3,000,000		13,980	13,980	(13,980)	(13,980)	-	-	-	-
Sappe Trading (Shanghai) Co., Ltd.	100	100	CNY 2,000,000		10,173	10,173	(10,173)	(10,173)	-	-	-	-
All Coco Group Co., Ltd.	51	51	Baht 168 million		196,350	196,350	-	-	196,350	196,350	-	-
Total					220,957	220,957	(24,607)	(24,607)	196,350	196,350	-	-

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

In January 2021, Sappe Holding (Thailand) Co., Ltd., which is the subsidiary increase its registered share capital from Baht 290 million to Baht 320 million (32,000,000 shares at Baht 10 per share) by issue authorised share capital of Sappe Holding (Thailand) Co., Ltd. by Baht 30 million (3,000,000 shares at Baht 10 per share). The Company made a share payment for Baht 30 million. Sappe Holding (Thailand) Co., Ltd. registered the increase of share capital with the Ministry of Commerce on 8 January 2021.

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.

In 2016, the Group sold its entire interest in PT. Sappe Indonesia, a subsidiary, of 2,550 shares or 51 percent equity ownership in PT. Sappe Indonesia. The Group has an option to repurchase 51 percent of PT. Sappe Indonesia issued and paid-up share capital. The option can be exercised within three years but no later than five years after the disposal date. The repurchase price will be Baht 82.03 million. In the case that PT. Sappe Indonesia increase its share capital, the repurchase price will be determined by financial due diligence performed by an independence financial advisor. However, the management does not plan to exercise this option at 31 March 2021.

7 Property, plant and equipment and right-of-use assets

Acquisitions, disposals and transfers of property, plant and equipment and right-of-use assets during the three-month period ended 31 March 2021 were as follows:

	Consolidated financial statements		Separate financial statements	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Buildings and building improvement	74	(5,138)	36	(5,138)
Machinery and equipment	27,783	(24,292)	3,247	(1)
Furniture, fixtures and office equipment	1,007	(236)	943	(6)
Vehicles	1,007	-	1,007	-
Assets under construction and installation	34,224	(6,385)	34,208	(6,363)
Total	64,095	(36,051)	39,441	(11,508)

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

8 Other current payables

		Consolidated financial statements		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
	<i>Note</i>				
		<i>(in thousand Baht)</i>			
Other current payables - related parties	3	2,328	638	1,889	88
Accrued interest expense - related parties	3	138	96	-	-
Accrued promotional expense		124,561	139,911	124,410	131,308
Accrued expenses		69,219	106,585	59,760	105,960
Other current payables - other parties		78,109	78,773	73,106	69,567
Advance received		32,474	28,243	30,635	26,641
Derivative liabilities		6,235	-	6,235	-
Others		7,439	5,755	2,209	1,645
Total		320,503	360,001	298,244	335,209

9 Warrants

Expenses for share-based payment transactions in the consolidated and separate financial statements for the three-month period ended 31 March 2021 were Baht 0.88 million (2020: Baht 1.71 million).

Movements during the three-month periods ended 31 March 2021 and 2020 of warrants were as follows:

<i>Three-month period ended 31 March</i>	Consolidated / Separate financial statements			
	2021		2020	
	Average exercise price per share (Baht)	Option shares (in thousand shares)	Average exercise price per share (Baht)	Option shares (in thousand shares)
At 1 January	7.72	4,060	7.72	4,060
At 31 March	7.72	4,060	7.72	4,060

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

10 Segment information and disaggregation of revenue

		Consolidated financial statements													
		Health drinking products			Coconut products		Other segments		Total		Eliminate		Net		
		2021	2020		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
Three-month period ended 31 March		(in thousand Baht)													
Information about reportable segments															
External revenues		673,781	741,108	54,324	85,518	6,184	3,420	734,289	830,046	-	-	734,289	830,046		
Inter-segment revenue		28	-	12,473	6,154	-	-	12,501	6,154	(12,501)	(6,154)	-	-		
Total revenue		673,809	741,108	66,797	91,672	6,184	3,420	746,790	836,200	(12,501)	(6,154)	734,289	830,046		
Disaggregation of revenue															
Primary geographical markets															
Thailand		240,042	286,480	54,091	91,672	-	-	294,133	378,152	(12,501)	(6,154)	281,632	371,998		
Indonesia and Philippines		159,312	248,868	-	-	-	-	159,312	248,868	-	-	159,312	248,868		
Korea		57,250	39,714	-	-	-	-	57,250	39,714	-	-	57,250	39,714		
Others		217,205	166,046	12,706	-	6,184	3,420	236,095	169,466	-	-	236,095	169,466		
Total revenue		673,809	741,108	66,797	91,672	6,184	3,420	746,790	836,200	(12,501)	(6,154)	734,289	830,046		
Major products															
Drinks		579,470	631,264	54,524	82,163	6,184	3,420	640,178	716,847	(3,524)	(2,188)	636,654	714,659		
Healthy food		28,791	37,689	-	-	-	-	28,791	37,689	-	-	28,791	37,689		
Others		65,548	72,155	12,273	9,509	-	-	77,821	81,664	(8,977)	(3,966)	68,844	77,698		
Total revenue		673,809	741,108	66,797	91,672	6,184	3,420	746,790	836,200	(12,501)	(6,154)	734,289	830,046		
Timing of revenue recognition															
At a point in time		673,809	741,108	66,797	91,672	6,184	3,420	746,790	836,200	(12,501)	(6,154)	734,289	830,046		

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

	Consolidated financial statements									
	Health drinking products		Coconut products		Other segments		Total		Eliminate	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<i>Three-month period ended 31 March</i>										
Share of loss of investments in associates	(9,286)	(3,105)	-	-	-	(9,286)	(3,105)	-	-	(3,105)
Segment profit (loss) before income tax	119,779	98,429	(1,933)	2,309	(8,053)	(89)	109,793	100,649	(226)	101,446
Segment assets as at 31 March / 31 December	3,600,110	3,546,783	255,004	272,071	165,736	143,881	4,020,850	3,962,735	(344,577)	3,676,273
Segment liabilities as at 31 March / 31 December	671,862	715,406	48,230	62,629	44,147	43,098	764,239	821,133	(45,858)	774,052

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

<i>Three-month period ended 31 March</i>	Separate financial statements	
	Reportable segments	
	2021	2020
	<i>(in thousand Baht)</i>	
Disaggregation of revenue		
Primary geographical markets		
Thailand	240,042	286,480
Indonesia and Philippines	159,312	248,868
Korea	57,250	39,714
Others	217,205	166,046
Total revenue	673,809	741,108
Major products		
Drinks	579,470	631,234
Healthy food	28,791	37,689
Others	65,548	72,155
Total revenue	673,809	741,108
Timing of revenue recognition		
At a point in time	673,809	741,108

11 Financial instruments

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. 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 condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

Consolidated financial statements						
	Carrying amount		Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total <i>(in thousand Baht)</i>	Level 1	Level 2	Level 3
<i>At 31 March 2021</i>						
<i>Financial assets</i>						
Other financial assets						
Debt instruments	1,416,532	-	1,416,532	-	1,416,532	-
Total other financial assets	1,416,532	-	1,416,532			1,416,532
<i>Financial liabilities</i>						
Loans from financial institutions	-	(5)	(5)	-	(5)	-
Loans from related parties	-	(9,333)	(9,333)	-	(9,333)	-
Derivatives liabilities	(6,235)	-	(6,235)	-	(6,235)	-
<i>At 31 December 2020</i>						
<i>Financial assets</i>						
Other financial assets						
Debt instruments	1,415,102	-	1,415,102	-	1,415,102	-
Derivatives assets	3,536	-	3,536	-	3,536	-
Total other financial assets	1,418,638	-	1,418,638			1,415,102
<i>Financial liabilities</i>						3,536
Loans from financial institutions	-	(31)	(31)	-	(31)	-
Loans from related parties	-	(9,352)	(9,352)	-	(9,352)	-

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

	Separate financial statements					Fair value
	Carrying amount Financial instruments measured at amortised cost	(in thousand Baht)			Total	
		Level 1	Level 2	Level 3		
At 31 March 2021						
Financial assets						
Loans to related parties	-	5,610	5,610	-	5,610	5,610
Other financial assets						
Debt instruments	1,416,532	-	1,416,532	-	1,416,532	1,416,532
Total other financial assets	1,416,532	-	1,416,532			
Financial liabilities						
Derivative liabilities	(6,235)	-	(6,235)	-	(6,235)	(6,235)
At 31 December 2020						
Financial assets						
Loans to related parties	-	5,610	5,610	-	5,610	5,610
Other financial assets						
Debt instruments	1,415,102	-	1,415,102	-	1,415,102	1,415,102
Derivatives assets	3,536	-	3,536	-	3,536	3,536
Total other financial assets	1,418,638	-	1,418,638			

Sappe Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

Financial instruments measured at fair value

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	<i>In cases where there is an active market,</i> the Group uses the market value as the fair value of derivatives. <i>In cases where there is no active market,</i> simple over-the-counter derivative are derived by using a valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.
Debt securities held for trading	The net asset value as of the reporting date.

12 Commitments with non-related parties

	Consolidated financial statements	Separate financial statements
<i>At 31 March 2021</i>		
<i>Capital commitments</i>		
Machinery, equipment and other constructions	20,023	20,023
Total	20,023	20,023
<i>Other commitments</i>		
Short-term lease commitments	23,362	19,851
Bank guarantees	10,616	10,616
Total	33,978	30,467

13 Impact of COVID-19 pandemic

In 2020, there has been an outbreak of coronavirus (COVID-19), which affected the Group's business operations. As at 31 March 2021, the outbreak was still ongoing, and government agencies have been rolling out vaccines for COVID-19 in February 2021. The management believes that the situation is temporary and does not affect the Group's value of assets. In addition, the management closely monitors the situation and is taking actions to lessen the impact on the Group.

14 Event after the reporting period

At the Annual General Meeting of Shareholders of the Company held on 29 April 2021, the shareholders approved the appropriation of dividends from annual net profit for the year 2020 of Baht 1.02 per share, amounting to Baht 310.47 million. The dividend will be paid to shareholders in May 2021.