

**Sappe Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2021
and
Independent Auditor's 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 ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

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 2021, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 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 issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 8 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
As there is high competition in both local and overseas markets for health and functional drinks, new products are continuously launched to attract customers and fulfil their changing needs. Consequently, the products of the Group and the Company have short lives, their sales and selling prices are subject to the market situation, and long-outstanding inventories may result. The Group's and the Company's inventories are stated at the lower of cost and net realisable value which involves management's judgment. This is an area of focus in my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Inquiry of the management to obtain an understanding of the Group's and the Company's policy in relation to setting provision for inventories and reviewing the Group's and the Company's compliance with this policy; - Understanding and evaluating the design and effectiveness of internal controls relevant to inventory management and attending inventory counts and observing the condition of inventories; - Testing the accuracy of inventory aging by checking samples to relevant supporting documents; - Testing the valuation of inventories by comparing their costs against their expected net realisable values less relevant selling expenses, and checking samples of the related supporting documents; and - Considering the adequacy of disclosure in accordance with the financial reporting standard.
Accrued promotional expenses	
Refer to Notes 3 (o) and 16 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
There is high competition in both local and overseas markets for health and functional drinks. The Group offers customers several types of promotional offers to compete with its competitors. The Group has accrued promotional expenses for these offers based on statistical information, and management's judgment on the behaviour of both local and overseas customers, and the type of offer. This is an area of focus in my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Inquiry of the management to obtain an understanding of the Group's policy in relation to accruing promotional expenses and reviewing the Group's compliance with this policy; - Understanding and evaluating the design and effectiveness of internal controls relevant to the sales process and estimation of accrued promotional and marketing expenses; - Testing the calculation of accrued promotional expenses by checking to samples of related supporting documents; - Testing that accrued promotional expenses related to offers active as at year end and in the year by checking to samples of related supporting documents; and - Considering the adequacy of disclosure in accordance with the financial reporting standard.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon.

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 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.

If I conclude that there is a material misstatement therein, I am required to report that fact. I have nothing to report in this regard.

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, related safeguards.

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.

(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2022

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets	Note	2021	2020	2021	2020
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	6	382,609,637	194,389,005	324,544,988	151,917,400
Trade accounts receivable	5, 7	340,585,908	435,587,557	318,779,821	418,916,890
Other current receivables	5	89,166,138	64,461,846	88,194,135	63,018,425
Short-term loans to related parties	5, 27	-	-	5,610,000	5,610,000
Inventories	8	290,717,932	221,066,443	247,138,839	175,509,538
Other current financial assets	27	1,371,105,836	1,415,102,085	1,371,105,836	1,415,102,085
Other current assets		49,508,226	30,710,236	48,484,762	18,118,201
Total current assets		2,523,693,677	2,361,317,172	2,403,858,381	2,248,192,539
<i>Non-current assets</i>					
Other non-current financial assets	27	66,752,209	-	66,752,209	-
Investment in associates	9	88,954,557	14,189,086	-	-
Investment in subsidiaries	10	-	-	390,161,757	290,161,757
Property, plant and equipment	12	951,274,103	1,006,220,547	816,631,323	881,240,267
Right-of-use assets	5, 13	54,965,055	96,762,821	47,224,314	63,124,005
Goodwill	14	90,898,858	90,898,858	-	-
Intangible assets other than goodwill	15	43,346,346	49,952,033	34,880,909	40,338,574
Deferred tax assets	24	19,813,093	18,306,227	19,677,392	18,210,524
Other non-current assets	5	8,703,320	9,513,149	4,495,238	5,515,238
Total non-current assets		1,324,707,541	1,285,842,721	1,379,823,142	1,298,590,365
Total assets		3,848,401,218	3,647,159,893	3,783,681,523	3,546,782,904

The accompanying notes from 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	
		2021	2020	2021	2020
(in Baht)					
Current liabilities					
Bank overdraft		1,887,559	1,461,577	-	-
Trade accounts payable	5, 27	180,815,354	217,939,063	192,601,876	228,783,459
Other current payables	5, 16	495,094,418	360,001,325	468,644,151	335,208,706
Current portion of long-term borrowing					
from financial institutions	27	-	30,967	-	-
Short-term borrowings from related parties	5, 27	9,460,367	9,352,252	-	-
Current portion of lease liabilities	13, 27	10,071,294	25,330,211	8,795,203	11,571,080
Current income tax payable		48,140,196	56,390,480	48,018,115	55,824,390
Total current liabilities		745,469,188	670,505,875	718,059,345	631,387,635
Non-current liabilities					
Lease liabilities	13, 27	51,876,806	65,898,173	44,252,095	56,997,371
Deferred tax liabilities	24	2,999,799	2,907,109	-	-
Non-current provisions for employee benefits	17	36,610,783	27,612,912	35,603,859	27,020,956
Other non-current liabilities	5	4,973,414	7,128,331	-	-
Total non-current liabilities		96,460,802	103,546,525	79,855,954	84,018,327
Total liabilities		841,929,990	774,052,400	797,915,299	715,405,962

The accompanying notes from 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	
		2021	2020	2021	2020
		(in Baht)			
Equity					
Share capital	18, 19				
Authorised share capital		308,438,080	308,438,080	308,438,080	308,438,080
Issued and paid-up share capital		306,086,680	304,378,080	306,086,680	304,378,080
Share premium on ordinary shares	18	1,021,354,110	975,607,543	1,021,354,110	975,607,543
Warrants	19	19,029,377	27,801,990	19,029,377	27,801,990
Retained earnings					
Legal reserve	20	30,843,808	30,843,808	30,843,808	30,843,808
Unappropriated		1,533,645,297	1,433,294,150	1,608,452,249	1,492,745,521
Difference arising from common					
control transactions		(4,365,342)	(4,365,342)	-	-
Currency translation differences		(914,100)	4,028,594	-	-
Equity attributable to owners of the parent		2,905,679,830	2,771,588,823	2,985,766,224	2,831,376,942
Non-controlling interests	11	100,791,398	101,518,670	-	-
Total equity		3,006,471,228	2,873,107,493	2,985,766,224	2,831,376,942
Total liabilities and equity		3,848,401,218	3,647,159,893	3,783,681,523	3,546,782,904

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

Sappe Public Company Limited and its Subsidiaries

Statement of income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Revenue					
Revenue from sale of goods	5, 21	3,444,159,868	3,268,083,931	3,181,622,524	2,991,877,609
Other income	5, 22	268,605,575	52,848,886	264,357,744	50,198,136
Total revenue		3,712,765,443	3,320,932,817	3,445,980,268	3,042,075,745
Expenses					
Cost of sales of goods	23	2,089,126,728	2,067,231,583	1,865,640,841	1,854,783,359
Distribution costs	23	759,883,415	451,485,324	737,881,868	423,243,272
Administrative expenses	23	318,254,849	298,358,591	294,230,906	273,152,073
Net foreign exchange loss		5,675,506	5,906,280	13,924,638	9,339,106
Total expenses		3,172,940,498	2,822,981,778	2,911,678,253	2,560,517,810
Profit from operating activities		539,824,945	497,951,039	534,302,015	481,557,935
Finance costs	5, 13	(2,515,724)	(3,152,940)	(1,768,353)	(2,098,891)
Reversal of impairment loss (impairment loss)					
determined in accordance with TFRS 9	5, 7, 27	(859,203)	2,673,744	(1,090,725)	1,649,406
Share of loss from associates accounted					
for using equity method	9	(20,234,729)	(15,555,149)	-	-
Profit before income tax expense		516,215,289	481,916,694	531,442,937	481,108,450
Tax expense	24	105,980,440	95,966,291	105,272,913	94,472,891
Profit for the year		410,234,849	385,950,403	426,170,024	386,635,559
Profit (loss) attributable to:					
Owners of the parent		410,814,443	380,160,972	426,170,024	386,635,559
Non-controlling interests	11	(579,594)	5,789,431	-	-
		410,234,849	385,950,403	426,170,024	386,635,559
Earnings per share					
	25				
Basic earnings per share		1.35	1.25	1.40	1.27
Diluted earnings per share		1.34	1.25	1.39	1.27

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

Sappe Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended		Year ended	
	31 December		31 December	
<i>Note</i>	2021	2020	2021	2020
	<i>(in Baht)</i>			
Profit for the year	410,234,849	385,950,403	426,170,024	386,635,559
Other comprehensive income				
<i>Items that will be reclassified</i>				
<i>subsequently to profit or loss</i>				
Exchange differences on translating				
foreign operations	(5,090,372)	(3,732,073)	-	-
Other comprehensive income (expense)				
for the year, net of tax	(5,090,372)	(3,732,073)	-	-
Total comprehensive income for the year	405,144,477	382,218,330	426,170,024	386,635,559
Total comprehensive income (expense)				
attributable to:				
Owners of the parent	405,871,749	376,852,316	426,170,024	386,635,559
Non-controlling interests	11 (727,272)	5,366,014	-	-
	405,144,477	382,218,330	426,170,024	386,635,559

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

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

Consolidated financial statements											
Note	Retained earnings			Other components of equity					Non-controlling interests	Total equity	
	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Difference arising from common control transactions (in Baht)	Translation reserve	Total other components of equity			Equity attributable to owners of the parent
Year ended 31 December 2020											
	304,378,080	975,607,543	20,931,117	30,843,808	1,312,461,984	(4,365,342)	7,337,251	2,971,909	2,647,194,441	96,575,058	2,743,769,499
Impact of changes in accounting policies	-	-	-	-	(6,761,400)	-	-	-	(6,761,400)	(422,403)	(7,183,803)
Balance at 1 January 2020	304,378,080	975,607,543	20,931,117	30,843,808	1,305,700,584	(4,365,342)	7,337,251	2,971,909	2,640,433,041	96,152,655	2,736,585,696
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the parent											
Share-based payment transactions	19	-	-	6,870,873	-	-	-	-	6,870,873	-	6,870,873
Dividends	26	-	-	-	(252,567,406)	-	-	-	(252,567,406)	-	(252,567,406)
Total contributions by and distributions to owners of the parent		-	-	6,870,873	-	(252,567,406)	-	-	(245,696,533)	-	(245,696,533)
Total transactions with owners, recorded directly in equity											
	-	-	6,870,873	-	(252,567,406)	-	-	-	(245,696,533)	-	(245,696,533)
Comprehensive income for the year											
Profit		-	-	-	380,160,972	-	-	-	380,160,972	5,789,431	385,950,403
Other comprehensive income		-	-	-	-	-	(3,308,657)	(3,308,657)	(3,308,657)	(423,416)	(3,732,073)
Total comprehensive income (expense) for the year		-	-	-	380,160,972	-	(3,308,657)	(3,308,657)	376,852,315	5,366,015	382,218,330
Balance at 31 December 2020		304,378,080	975,607,543	27,801,990	30,843,808	1,433,294,150	(4,365,342)	4,028,594	2,771,588,823	101,518,670	2,873,107,493

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				
				Difference arising from common control transactions (in Baht)	Translation reserve	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated		
		Note						Total equity
Year ended 31 December 2021								
Balance at 1 January 2021		304,378,080	975,607,543	27,801,990	30,843,808	1,433,294,150	(4,365,342)	4,028,594
							(336,748)	2,771,588,823
								101,518,670
								2,873,107,493
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the parent								
Shares options exercised	18, 19	1,708,600	45,746,567	(12,326,350)	-	-	-	35,128,817
Share-based payment transactions	19	-	-	3,553,737	-	-	-	3,553,737
Dividends	26	-	-	-	-	(310,463,296)	-	(310,463,296)
Total contributions by and distributions to owners of the parent		1,708,600	45,746,567	(8,772,613)	-	(310,463,296)	-	(271,780,742)
Total transactions with owners, recorded directly in equity		1,708,600	45,746,567	(8,772,613)	-	(310,463,296)	-	(271,780,742)
Comprehensive income for the year								
Profit		-	-	-	-	410,814,443	-	410,814,443
Other comprehensive income		-	-	-	-	-	(4,942,694)	(4,942,694)
Total comprehensive income (expense) for the year		-	-	-	-	-	(4,942,694)	(4,942,694)
Balance at 31 December 2021		306,086,680	1,021,354,110	19,029,377	30,843,808	1,533,645,297	(4,365,342)	2,905,679,830
							(5,279,442)	100,791,398
								3,006,471,228

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						
		Retained earnings				
	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Total equity

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					
		Retained earnings					
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Total equity
	Note				(in Baht)		
Year ended 31 December 2021							
Balance at 1 January 2021		304,378,080	975,607,543	27,801,990	30,843,808	1,492,745,521	2,831,376,942
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Shares options exercised		1,708,600	45,746,567	(12,326,350)	-	-	35,128,817
Share-based payment transactions		-	-	3,553,737	-	-	3,553,737
Dividends		-	-	-	-	(310,463,296)	(310,463,296)
Total contributions by and distributions to owners							
		1,708,600	45,746,567	(8,772,613)	-	(310,463,296)	(271,780,742)
Comprehensive income for the year							
Profit		-	-	-	-	426,170,024	426,170,024
Total comprehensive income for the year							
		-	-	-	-	426,170,024	426,170,024
Balance at 31 December 2021							
		306,086,680	1,021,354,110	19,029,377	30,843,808	1,608,452,249	2,985,766,224

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

Sappe Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
(in Baht)					
Cash flows from operating activities					
Profit for the year		410,234,849	385,950,403	426,170,024	386,635,559
<i>Adjustments to reconcile profit to cash receipts</i>					
<i>(payments)</i>					
Tax expense	24	105,980,440	95,966,291	105,272,913	94,472,891
Finance costs		2,515,724	3,152,940	1,768,353	2,098,891
Depreciation	12, 13, 23	189,378,801	195,514,251	168,925,375	173,860,938
Amortisation	15, 23	8,499,548	6,650,595	7,480,472	6,503,989
Impairment loss recognised in profit or loss (reversal)		324,048	(2,673,744)	1,090,725	(1,649,406)
Loss on inventories devaluation	8	1,572,639	10,787,153	1,958,239	10,846,749
Unrealised (gain) loss on exchange rates		6,878,304	(4,372,922)	6,561,400	(5,328,883)
Unrealised gain from current investment revaluation	27	(4,887,192)	(7,096,700)	(4,887,192)	(7,096,700)
(Gain) loss on sale of current investments	27	(1,016,559)	2,429,593	(1,016,559)	2,429,593
(Gain) loss on disposal of plant and equipment		(354,276)	434,061	(768,529)	(1,041,109)
Loss on disposal of intangible assets		167,946	71,312	-	71,312
Share of loss of interest in associates accounted for using equity method, net of tax	9	20,234,729	15,555,149	-	-
Non-current provisions for employee benefits		9,592,871	7,749,957	9,177,903	7,505,754
Share-based payment	19	3,553,737	6,870,873	3,553,737	6,870,873
Interest income		(1,217,200)	(4,728,146)	(1,752,813)	(5,226,098)
Dividend income		-	(457,201)	-	(457,201)
		751,458,409	711,803,865	723,534,048	670,497,152
Changes in operating assets and liabilities					
Trade accounts receivable		95,127,160	(82,575,976)	100,270,241	(84,069,090)
Other current receivables		(28,134,717)	(22,682,958)	(28,527,957)	(20,620,786)
Inventories		(71,224,128)	(14,956,561)	(73,587,540)	2,620,955
Other current assets		(30,607,916)	(11,375,346)	(30,366,561)	547,905
Other non-current assets		809,828	11,074,140	1,020,000	(146,500)
Trade accounts payable		(37,123,673)	35,843,009	(36,181,546)	48,978,767
Other current payables		136,502,689	(4,948,855)	132,838,438	(8,472,689)
Other non-current liabilities		(2,173,165)	(1,356,000)	-	-
Foreign currency translation differences of subsidiaries		(5,005,774)	(3,232,232)	-	-
Net cash generated from operating		809,628,713	617,593,086	788,999,123	609,335,714
Provisions for employee benefits paid		(595,000)	(440,000)	(595,000)	(440,000)
Taxes paid		(115,644,899)	(77,243,017)	(114,546,056)	(76,704,280)
Net cash from operating activities		693,388,814	539,910,069	673,858,067	532,191,434

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

Sappe Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Cash flows from investing activities					
Payment on investments in subsidiaries	10	-	-	(100,000,000)	-
Acquisition of associate	9	(95,000,200)	-	-	-
Acquisition of other debt securities	27	(67,000,000)	-	(67,000,000)	-
Acquisition of other current financial assets	27	(1,700,821,222)	(2,542,101,573)	(1,700,821,222)	(2,542,101,573)
Proceeds from sale of other current financial assets	27	1,750,721,222	2,263,799,054	1,750,721,222	2,263,799,054
Proceeds from sale of other long-term investments	27	-	100,000,000	-	100,000,000
Acquisition of plant and equipment		(103,344,138)	(77,402,660)	(96,380,962)	(69,255,585)
Proceeds from sale of plant and equipment		706,749	1,249,388	689,719	1,050,000
Acquisition of intangible assets		(2,131,984)	(2,280,722)	(2,113,849)	(400,222)
Proceeds from repayment of loans to related party	5	-	-	-	2,040,000
Dividends received		-	457,201	-	457,201
Interest received		1,066,746	4,728,147	1,066,746	5,524,054
Net cash used in investing activities		(215,802,827)	(251,551,165)	(213,838,346)	(238,887,071)
Cash flows from financing activities					
Proceeds from bank overdrafts		425,982	2,429,615	-	-
Repayment of bank overdrafts		-	(968,038)	-	-
Proceeds from exercise of share options		35,128,816	-	35,128,816	-
Repayment of short-term borrowings		-	(1,960,000)	-	-
Repayment of long-term borrowings		(30,967)	(101,444)	-	-
Payment of lease liabilities		(12,171,733)	(18,854,362)	(10,296,281)	(11,106,162)
Dividend paid to owners of the Company	26	(310,463,296)	(252,567,406)	(310,463,296)	(252,567,406)
Interest paid		(2,261,139)	(3,641,846)	(1,768,354)	(2,098,891)
Net cash used in financing activities		(289,372,337)	(275,663,481)	(287,399,115)	(265,772,459)
Net increase in cash and cash equivalents, before effect					
of exchange rates		188,213,650	12,695,423	172,620,606	27,531,904
Effect of exchange rate changes on cash and cash					
equivalents		6,982	(1,463)	6,982	(1,463)
Net increase in cash and cash equivalents		188,220,632	12,693,960	172,627,588	27,530,441
Cash and cash equivalents at 1 January		194,389,005	181,695,045	151,917,400	124,386,959
Cash and cash equivalents at 31 December	6	382,609,637	194,389,005	324,544,988	151,917,400
Non-cash transactions					
Outstanding payables for purchases of plant and equipment		2,897,767	7,997,980	2,273,787	5,091,946
Outstanding payables for purchases of intangible assets		-	91,042	-	91,042

The accompanying notes from 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 2021

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Impact of COVID-19 Outbreak
5	Related parties
6	Cash and cash equivalents
7	Trade accounts receivables
8	Inventories
9	Investment in associates
10	Investment in subsidiaries
11	Non-controlling interests
12	Property, plant and equipment
13	Leases
14	Goodwill
15	Intangible assets other than goodwill
16	Other current payables
17	Non-current provisions for employee benefits
18	Share capital
19	Warrants
20	Legal reserves
21	Segment information and disaggregation of revenue
22	Other income
23	Expenses by nature
24	Income tax
25	Earnings per share
26	Dividends
27	Financial instruments
28	Capital management
29	Commitments with non-related parties
30	Treasury shares
31	Event after the reporting period

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 23 February 2022.

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 and associates as at 31 December 2021 and 2020 were as following;

Name of company	Nature of business	Country of incorporation /Nationality	Ownership interest (%)	
			2021	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
M Intelligence Co., Ltd.	Distributing digital transformation products	Thailand	16.21	-

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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 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 are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

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

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

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

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

Business combinations

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

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

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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

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

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

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

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

Business combination under common control 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 and associates*

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

(c) *Foreign currencies*

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

Foreign currency differences are generally recognised in profit or loss.

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Foreign operations

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

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

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

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

(d) Financial instruments

(d.1) Classification and Recognition

Financial assets and financial liabilities (except trade accounts receivables (see note 3 (f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

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

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

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

(d.2) Derecognition and Offset

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

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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

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

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

(d.3) Derivatives

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

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

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

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

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

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

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

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

(d.5) Write offs

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

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

(e) Cash and cash equivalents

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

(f) Trade accounts receivable

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

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

(g) Inventories

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

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

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

(h) Property, plant and equipment

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

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

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

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

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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

The estimated useful lives are as follows:

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

(i) *Goodwill*

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

(j) *Other intangible assets*

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

The estimated useful lives are as follows:

Software licences	3 - 10 years
Trademarks and copyrights	Agreement life

(k) *Leases*

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

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

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

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

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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

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

(l) *Impairment of non-financial assets*

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

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

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

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

(m) *Employee benefits*

Obligations for contributions to the [Group's/Company'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.

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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

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

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

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

(n) Share-based payments

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

(o) Provision

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

(p) Fair value measurement

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

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

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

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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

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

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

(q) *Revenue from contract with customer*

Revenue is recognised when a customer obtains control of the goods or services 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. Revenue for rendering of services is recognised when services are provided. The related costs are recognised in profit or loss when they are incurred.

(r) *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 and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

(s) *Earnings per share*

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

4 **Impact of COVID-19 Outbreak**

COVID-19 pandemic is still on going, while vaccines for COVID-19 are being rolled out during 2021. Provincial governments decided to temporarily closure of some branches or reduce operating hours of the service facilities and operating offices. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible.

5 **Related parties**

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

Relationships with subsidiaries and associates are described in notes 1, 9 and 10. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
Toyox Trading (Thailand) Co., Ltd.	Thailand	Common major shareholder
Hayashi Products Co., Ltd.	Thailand	Common major shareholder
3T Engineering Co., Ltd.	Thailand	Common major shareholder
On Fifth Co., Ltd.	Thailand	Common major shareholder
Hose Center Company Limited.	Thailand	Common major shareholder
Italmarket Slovakia, a.s.	Slovakia	Held by the shareholders in a subsidiary
Bangkok Bestbuy Group Co., Ltd.	Thailand	One of family member of the company's director is a 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)

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Significant transactions with related parties <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	66	331
Purchase of goods	-	-	88,227	58,931
Other income	-	-	23	-
Interest income	-	-	536	549
Distribution costs and administrative expenses	-	-	749	468
Associates				
Sales of goods	9	14,393	9	14,393
Purchase of goods	167,006	230,357	167,006	230,357
Other income	10,502	11,970	10,502	11,970
Other related parties				
Sales of goods	4,889	3,992	169	3
Purchases of machinery and equipment	1,631	73	1,631	73
Other income	361	932	361	932
Other expenses	526	169	526	169
Consultant fee	1,200	1,200	1,200	1,200
Distribution costs and administrative expenses	30	48	-	17
Interest expense	233	258	-	-
Key management personnel				
Short-term employee benefit and others	64,803	54,745	64,803	54,745
Long-term employee benefit	2,256	2,218	2,256	2,218
Share-based payments	809	1,760	809	1,760

Intercompany sales to and purchase from associates described above excluded co-packing and distribution with an indirect associate of Baht 114.04 million for the year ended 31 December 2021 (2020: Baht 161.28 million).

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
All Coco Group Co., Ltd.	-	-	28	37
Associate				
Danone Sappe Beverages Co., Ltd.	16,515	40,046	16,515	40,046
Other related parties				
Italmarket Slovakia, a.s.	158	362	-	-
Total	<u>16,673</u>	<u>40,408</u>	<u>16,543</u>	<u>40,083</u>

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Other current receivables</i>				
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sappe Europe s.r.o.	-	-	3,266	2,832
Sappe Trading (Shanghai) Co., Ltd.	-	-	10,006	10,005
Sappe Holding (Thailand) Co., Ltd.	-	-	-	833
Sappe Trading (Hong kong) Company Limited	-	-	376	306
All Coco Group Co., Ltd.	-	-	1,785	947
All Coco Co., Ltd.	-	-	127	46
Associate				
Danone Sappe Beverages Co., Ltd.	646	7,438	646	7,438
Other related parties				
Hayashi Products Co., Ltd.	11	30	11	30
	<u>657</u>	<u>7,468</u>	<u>16,217</u>	<u>22,437</u>
<i>Less allowance for impairment</i>	-	-	(13,948)	(13,369)
Net	<u>657</u>	<u>7,468</u>	<u>2,269</u>	<u>9,068</u>
Expected credit losses for the year ended 31 December	<u>-</u>	<u>-</u>	<u>579</u>	<u>(1,079)</u>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Loans to</i>				
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sappe Europe s.r.o.	-	-	8,869	8,629
All Coco Group Co., Ltd.	-	-	3,060	3,060
All Coco Co., Ltd.	-	-	2,550	2,550
	<u>-</u>	<u>-</u>	<u>14,479</u>	<u>14,239</u>
<i>Less allowance for expected credit loss</i>	-	-	(8,869)	(8,629)
Net	<u>-</u>	<u>-</u>	<u>5,610</u>	<u>5,610</u>
Expected credit losses for the year ended 31 December	<u>-</u>	<u>-</u>	<u>240</u>	<u>737</u>

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Other non-current assets</i>				
	<i>(in thousand Baht)</i>			
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	<u>2,230</u>	<u>2,230</u>	<u>2,230</u>	<u>2,230</u>

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
<i>Trade accounts payable</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiary				
All Coco Group Co., Ltd.	-	-	18,580	14,206
Associate				
Danone Sappe Beverages Co., Ltd.	29,119	68,116	29,119	68,116
Total	29,119	68,116	47,699	82,322

	Consolidated financial statements		Separate financial statements	
<i>Other current payable</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiary				
All Coco Group Co., Ltd.	-	-	287	77
Other related parties				
Italmarket Slovakia, a.s.	705	627	-	-
Toyox Trading (Thailand) Co., Ltd.	2	11	2	11
Hose Center Company Limited	88	-	88	-
Director	134	48	-	-
Key management personnel	134	48	-	-
Total	1,063	734	377	88

	Consolidated financial statements		Separate financial statements	
<i>Lease liability</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related parties	34,461	41,488	27,480	34,441
Total	34,461	41,488	27,480	34,441

	Consolidated financial statements		Separate financial statements	
<i>Loans from</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related parties				
Italmarket Slovakia, a.s.	3,032	2,950	-	-
Director	3,642	3,617	-	-
Key management personnel	2,695	2,695	-	-
Other	91	90	-	-
Total	9,460	9,352	-	-

	Consolidated financial statements		Separate financial statements	
<i>Other non-current liability</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related party				
Director	4,133	4,022	-	-

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

The memorandum of association of a subsidiary states that the subsidiary has to pay dividends from net profit of Euro 109,076.03 to a shareholder. The first gainer is a shareholder and then the rest of the profit will be allocated according to the proportion of the investment held. As of 31 December 2021, the management considered to recognise a provision following the regulations of the subsidiary of Baht 4.13 million (2020: Baht 4.02 million) under “Other non-current liabilities” in the consolidated financial statements.

Significant agreements with related parties

(a) Land lease agreement

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

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

(b) Land and building lease agreement

The Company has a land and building lease agreement with a related party under which the parties agree that the Company has the right to lease the land and building for 3 years ended year 2022. In consideration thereof, the Company is committed to pay an initial deposit and the monthly land and building lease. Each year the parties will add 3% of the latest monthly land and building lease. The term of this agreement is continued until either party gives written notice at least 30 days prior to the effective date of termination.

(c) Co-packing agreement

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

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 financial statements

For the year ended 31 December 2021

(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.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	53	44	-	-
Cash at banks	382,557	194,345	324,545	151,917
Total	382,610	194,389	324,545	151,917

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>At 31 December</i>				
Within credit terms	181,058	259,648	173,761	257,632
Overdue				
Less than 3 months	147,612	172,262	137,616	160,478
3 - 6 months	10,191	3,444	5,906	496
6 - 12 months	2,121	188	1,220	131
More than 12 months	1,454	1,285	301	180
Total	342,436	436,827	318,804	418,917
Less allowance for expected credit loss	(1,850)	(1,239)	(24)	-
Net	340,586	435,588	318,780	418,917

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Allowance for expected credit loss</i>				
At 1 January	1,239	1,560	-	257
Addition	611	-	24	-
Reversal	-	(321)	-	(257)
At 31 December	1,850	1,239	24	-

Information of credit risk is disclosed in note 27 (b.1).

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Finished goods	131,951	94,420	101,450	58,525
Trading goods	4,868	10,787	5,699	10,311
Work in progress	9,687	8,390	4,089	5,408
Raw materials	53,869	42,002	53,344	41,633
Package and packing material	72,515	50,016	67,747	46,851
Spare parts, factory supplies and others	36,511	31,571	33,212	28,236
Goods in transit	-	990	-	990
Total	309,401	238,176	265,541	191,954
Less Allowance for decline in value	(1,940)	(2,985)	(1,940)	(2,985)
Allowance for slow moving	(16,743)	(14,125)	(16,462)	(13,459)
Net	290,718	221,066	247,139	175,510
Inventories recognised in				
‘cost of sales of goods’:				
- Cost	2,087,169	2,056,385	1,863,683	1,843,936
- Write-down to net realisable value	(1,045)	1,364	(1,045)	1,364
- Write-down	3,003	9,483	3,003	9,483
Net	2,089,127	2,067,232	1,865,641	1,854,783

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

9 Investment in associates

Consolidated financial statements									
	Type of business	Ownership interest		Paid-up capital		Cost		At equity method	
		2021	2020	2021	2020	2021	2020	2021	2020
								(in thousand Baht)	
<i>Indirect associates</i>									
Danone Sappe Beverages Co., Ltd.	Distributing health drinking product	25.0	25.0	300,000	200,000	75,000	50,000	18,712	14,189
M Intelligence Co., Ltd.	Distributing digital transformation products	16.2	-	4,947	-	70,000	-	70,243	-
Total						145,000	50,000	88,955	14,189

An indirect associate was incorporated in Thailand.

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

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Material movement for the year ended 31 December	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Acquire investment in M Intelligence Co., Ltd.	70,000	-
Increase capital of Danone Sappe Beverages Co., Ltd	25,000	-

In February 2021, Danone Sappe Beverages Co., Ltd. increased 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.

On 13 December 2021, the Group purchased share of M Intelligence Co., Ltd. by acquiring 16.21 percent shareholding interest or 116,667 shares (Baht 10 par value) at Baht 600 per shares amounting to Baht 70,000,200. M Intelligence Co., Ltd. was accounted as an associate of the Group.

Material Associate

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

Danone Sappe Beverages Co., Ltd.		
	2021	2020
	<i>(in thousand Baht)</i>	
Revenue	156,529	230,887
Profit (loss) from continuing operations	(81,781)	(58,782)
Total comprehensive income (100%)	(81,781)	(58,782)
Total comprehensive income of the Group's interest	(20,445)	(14,695)
Elimination of unrealised profit on downstream sales and upstream purchase	(32)	(860)
Group's share of total comprehensive income	(20,477)	(15,555)
Current assets	150,474	170,617
Non-current assets	107	150
Current liabilities	(70,118)	(108,523)
Net assets (100%)	80,463	62,244
Group's share of net assets	20,116	15,561
Elimination of unrealised profit on downstream sales and upstream purchase	(1,404)	(1,372)
Carrying amount of interest in associate	18,712	14,189

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Immaterial Associates

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

	M Intelligence Co., Ltd.	
	2021	2020
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial associates	70,000	-
Group's share of:		
- Profit from continuing operations	243	-
- Total comprehensive income	243	-

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

10 Investments in subsidiaries

	Ownership interest	Paid-up capital	Separate financial statements					
			2021		2020		Impairment	
			2021	2020	2021	2020	2021	2020
	(%)				<i>(in thousand Baht)</i>			
Direct subsidiaries								
Sappe Europe s.r.o.	60	EUR 6,639	162	162	-	-	162	162
Sappe Holding (Thailand) Co., Ltd.	100	Baht 390 million	390,000	290,000	-	-	390,000	290,000
Total			390,162	290,162	-	-	390,162	290,162
Indirect subsidiaries								
Sappe Trading (Hong Kong) Company Limited	100	HKD 100,000	454	454	(454)	(454)	-	-
Sappe Hong Kong Company Limited	100	HKD 3,000,000	13,980	13,980	(13,980)	(13,980)	-	-
Sappe Trading (Shanghai) Co., Ltd.	100	CNY 2,000,000	10,173	10,173	(10,173)	(10,173)	-	-
All Coco Group Co., Ltd.	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 financial statements

For the year ended 31 December 2021

<i>Material movement for the year ended 31 December</i>	Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Increase capital of Sappe Holding (Thailand) Co., Ltd.	100,000	-

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. As at 31 December 2021, the option to repurchase are expired which the Group does not exercise this option.

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

In December 2021, Sappe Holding (Thailand) Co., Ltd., increased its registered share capital from Baht 320 million to Baht 390 million (39,000,000 shares, at the price of Baht 10 per share) by issuing authorised share capital of Sappe Holding (Thailand) Co., Ltd. by Baht 70 million (7,000,000 shares, at the price of Baht 10 per share). The Company made a payment for Baht 70 million. Sappe Holding (Thailand) Co., Ltd. registered the increase of share capital with the Ministry of Commerce on 1 December 2021.

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 2021 (2020: Baht 24.61 million).

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

11 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:

	All Coco Group Co., Ltd.	
	2021	2020
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	49%	49%
Current assets	115,942	111,776
Non-current assets	143,737	170,995
Current liabilities	(39,863)	(49,263)
Non-current liabilities	(10,332)	(15,506)
Net assets	209,484	218,002
Carrying amount of non-controlling interest	102,647	106,821
Revenue	321,340	316,792
Profit	42	12,900
Total comprehensive income	42	12,900
Profit (loss) allocated to non-controlling interest	21	6,321

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

12 Property, plant and equipment

	Consolidated financial statements					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Asset under construction and installation
						Total
Cost						
At 1 January 2020	139,603	464,166	1,230,393	106,102	56,453	2,062,411
Additions	363	392	15,855	2,362	3,593	80,439
Transfer	6,805	7,632	32,538	9,312	-	-
Disposals	-	-	(1,951)	(3,774)	(6,073)	(11,798)
Effect of movements in exchange rates	-	-	914	(107)	151	958
At 31 December 2020 and 1 January 2021	146,771	472,190	1,277,749	113,895	54,124	2,132,010
Additions	92	456	54,467	3,934	2,996	140,855
Transfer	6,746	4,918	88,047	3,367	3,195	-
Disposals	-	-	(663)	(1,994)	(2,749)	(5,406)
Effect of movements in exchange rates	-	-	259	11	48	318
At 31 December 2021	153,609	477,564	1,419,859	119,213	57,614	2,267,777
Depreciation and impairment losses						
At 1 January 2020	23,671	177,722	636,957	77,058	39,481	956,323
Depreciation for the year	3,644	29,398	128,269	10,728	6,763	178,802
Disposals	-	-	(1,650)	(2,392)	(6,071)	(10,113)
Effect of movements in exchange rates	-	-	669	(13)	121	777
At 31 December 2020 and 1 January 2021	27,315	207,120	764,245	85,381	40,294	1,125,789
Depreciation for the year	3,382	28,167	147,518	10,363	5,974	195,404
Disposals	-	-	(463)	(1,756)	(2,748)	(4,967)
Effect of movements in exchange rates	-	-	221	9	47	277
At 31 December 2021	30,697	235,287	911,521	93,997	43,567	1,316,503

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	Consolidated financial statements					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Asset under construction and installation
						Total
<i>Net book value</i>						
At 31 December 2020	119,456	265,070	513,504	28,514	13,830	1,006,221
At 31 December 2021	122,912	242,277	508,338	25,216	14,047	951,274

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	Separate financial statements				
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Asset under construction and installation
<i>Cost</i>					Total
At 1 January 2020	131,388	389,218	1,179,452	99,842	62,117
Additions	363	145	13,670	2,003	50,284
Transfer	6,806	7,619	22,144	9,013	(45,582)
Disposals	-	-	(747)	(1,726)	-
At 31 December 2020 and 1 January 2021	138,557	396,982	1,214,519	109,132	66,819
Additions	-	420	9,734	3,503	76,909
Transfer	6,745	4,915	86,261	3,367	(104,483)
Disposals	-	-	(352)	(1,572)	-
At 31 December 2021	145,302	402,317	1,310,162	114,430	39,245
					2,068,459
<i>Depreciation and impairment losses</i>					
At 1 January 2020	23,012	167,266	637,749	75,665	1,434
Depreciation for the year	3,474	24,006	118,782	9,268	-
Disposals	-	-	(746)	(1,718)	-
At 31 December 2020 and 1 January 2021	26,486	191,272	755,785	83,215	1,434
Depreciation for the year	3,211	22,897	117,058	9,306	-
Disposals	-	-	(350)	(1,566)	-
At 31 December 2021	29,697	214,169	872,493	90,955	1,434
					1,251,828
<i>Net book value</i>					
At 31 December 2020	112,071	205,710	458,734	25,917	65,385
At 31 December 2021	115,605	188,148	437,669	23,475	37,811
					816,631

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 2021 amounted to Baht 401.67 million and Baht 384.86 million, respectively (2020: Baht 297.40 million and Baht 282.96 million).

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

13 Leases

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Right-of-use assets at 31 December</i>		(in thousand Baht)		
Buildings	54,965	72,271	47,224	63,124
Machinery	-	24,418	-	-
Vehicles	-	74	-	-
Total	54,965	96,763	47,224	63,124

In 2021, no addition to the right-of-use assets of the Group and the Company. (2020: Baht 110.15 million and Baht 75.17 million, respectively)

The Group leases a number of building and plants for 3-20 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

The Group has extension options on leases exercisable before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Year ended 31 December</i>		(in thousand Baht)		
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Buildings	12,168	13,452	10,762	12,046
- Machinery	-	2,710	-	-
- Vehicles	-	428	-	-
Interest on lease liabilities	2,143	2,813	1,768	2,098
Expenses relating to short-term leases	1,202	10,666	-	6,304

In 2021, total cash outflow for leases of the Group and the Company were Baht 14.39 million and Baht 12.06 million, respectively. (2020: Baht 21.39 million and Baht 13.21 million, respectively)

14 Goodwill

	Consolidated financial statements	
	2021	2020
	(in million Baht)	
<i>Cost</i>		
At 1 January	90,899	90,899
At 31 December	90,899	90,899
<i>Net book value</i>		
At 31 December	90,899	90,899

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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 2021 and 2020.

<i>Key assumptions used in the estimation of value in use</i>	Consolidated financial statements	
	2021	2020
	(%)	
Discount rate	5.1	4.4
Terminal value growth rate	0.0	0.0

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

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

15 Intangible assets other than goodwill

	Consolidated financial statements			
	Software licences	Trademarks and Copyrights (in thousand Baht)	Product design	Total
Cost				
At 1 January 2020	38,647	54,322	1,896	94,865
Additions	369	243	-	612
Disposals	-	(71)	-	(71)
Effect of movements in exchange rates	85	-	-	85
At 31 December 2020 and 1 January 2021	39,101	54,494	1,896	95,491
Additions	92	1,970	-	2,062
Disposals	-	-	(168)	(168)
Effect of movements in exchange rates	19	-	-	19
At 31 December 2021	39,212	56,464	1,728	97,404
Amortisation				
At 1 January 2020	25,103	13,405	295	38,803
Amortisation for the year	1,343	5,208	100	6,651
Effect of movements in exchange rates	85	-	-	85
At 31 December 2020 and 1 January 2021	26,531	18,613	395	45,539
Amortisation for the year	2,332	6,068	100	8,500
Effect of movements in exchange rates	19	-	-	19
At 31 December 2021	28,882	24,681	495	54,058

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Consolidated financial statements				
	Software licences	Trademarks and Copyrights (in thousand Baht)	Product design	Total
<i>Net book value</i>				
At 31 December 2020	<u>12,570</u>	<u>35,881</u>	<u>1,501</u>	<u>49,952</u>
At 31 December 2021	<u>10,330</u>	<u>31,783</u>	<u>1,233</u>	<u>43,346</u>
Separate financial statements				
	Software licences	Trademarks and Copyrights (in thousand Baht)	Product design	Total
<i>Cost</i>				
At 1 January 2020	29,609	53,176	1,560	84,345
Additions	153	243	-	396
Disposals	-	(71)	-	(71)
At 31 December 2020 and 1 January 2021	<u>29,762</u>	<u>53,348</u>	<u>1,560</u>	<u>84,670</u>
Additions	54	1,968	-	2,022
At 31 December 2021	<u>29,816</u>	<u>55,316</u>	<u>1,560</u>	<u>86,692</u>
<i>Amortisation</i>				
At 1 January 2020	24,153	13,379	295	37,827
Amortisation for the year	1,224	5,180	100	6,504
At 31 December 2020 and 1 January 2021	<u>25,377</u>	<u>18,559</u>	<u>395</u>	<u>44,331</u>
Amortisation for the year	1,341	6,039	100	7,480
At 31 December 2021	<u>26,718</u>	<u>24,598</u>	<u>495</u>	<u>51,811</u>
<i>Net book value</i>				
At 31 December 2020	<u>4,385</u>	<u>34,789</u>	<u>1,165</u>	<u>40,339</u>
At 31 December 2021	<u>3,098</u>	<u>30,718</u>	<u>1,065</u>	<u>34,881</u>

16 Other current payables

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Other payables - related parties	5	795	638	377	88
Accrued interest expense - related parties	5	268	96	-	-
Accrued expenses		139,280	106,585	130,484	105,960
Accrued promotional expense		126,003	139,911	125,675	131,308
Advance received for goods		111,818	28,243	110,810	26,641
Other payables - other parties		97,205	78,773	87,874	69,567
Other advance received		10,673	-	10,673	-
Others		9,052	5,755	2,751	1,645
Total		<u>495,094</u>	<u>360,001</u>	<u>468,644</u>	<u>335,209</u>

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

17 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
<i>At 31 December</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Post-employment benefits	33,756	25,164	32,749	24,572
Other long-term employee benefits	2,855	2,449	2,855	2,449
Total	36,611	27,613	35,604	27,021

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.

	Consolidated financial statements		Separate financial statements	
<i>Present value of the defined benefit obligations</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	27,613	20,303	27,021	19,955
<i>Recognised in profit or loss:</i>				
Current service cost	8,913	7,242	8,508	7,008
Interest on obligation	680	508	670	498
Benefit paid	(595)	(440)	(595)	(440)
At 31 December	36,611	27,613	35,604	27,021

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.

	Consolidated financial statements		Separate financial statements	
<i>Principal actuarial assumptions</i>	2021	2020	2021	2020
	<i>(%)</i>			
Discount rate	2.49 - 2.93	2.49 - 2.93	2.49	2.49
Future salary growth	5	5	5	5
Employee turnover	0 - 40	0 - 40	0 - 40	0 - 40

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

As at 31 December 2021, the weighted-average duration of the defined benefit obligation was 23.85 - 30.28 years (2020: 23.85 - 30.28 years).

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Sensitivity analysis

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

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	(4,167)	(3,294)	4,885	3,886
Future salary growth	5,356	3,938	(4,588)	(3,379)
Employee turnover	(4,586)	(3,640)	2,012	1,715
Future mortality	234	183	(232)	(181)

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	(4,070)	(3,230)	4,773	3,810
Future salary growth	5,219	3,853	(4,469)	(3,306)
Employee turnover	(4,477)	(3,567)	1,972	1,687
Future mortality	228	179	(226)	(178)

18 Share capital

	Par value per share (in Baht)	2021		2020	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised shares at 31 December	1	<u>308,438</u>	<u>308,438</u>	<u>308,438</u>	<u>308,438</u>
<i>Issued and paid-up shares</i>					
At 1 January					
- ordinary shares	1	304,378	304,378	304,378	304,378
Shares options exercised (Note 19)	1	<u>1,709</u>	<u>1,709</u>	<u>-</u>	<u>-</u>
At 31 December					
- ordinary shares	1	<u>306,087</u>	<u>306,087</u>	<u>304,378</u>	<u>304,378</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.

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.

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

19 Warrants

At the annual general shareholders' meeting of the Company held on 26 April 2018, the shareholders passed resolutions to approve the issuance of 4,070,000 units of warrants with a term of 4 years ("Warrant" or "SAPPE-WA2") to qualifying management and employees of the Company. The warrants will be granted on the last working day of June and December of each year. The first exercise date is 12 months after issuing the warrants and the holders must have complied with all terms of the exercising right.

The warrants have been allocated to the management (including directors) and employees of the Company. The exercise ratio is 1 warrant per 1 new ordinary share, and the exercise price is Baht 20.56 per share (unless the adjustment of the exercising right). The terms of the exercise and the fair value of the share options has the detail as follow:

Description	Details
Type of warrants	Warrants to purchase ordinary shares of Sappe Public Company Limited issued to the management (including the executive directors) and employees of the Company at the second time (SAPPE-WA2), specification of the holder's name and non-transferable unless the transfer of inheritance or transfer to heirs or representatives by law.
Issue and sell quantities	4,070,000 units
Terms of warrants	4 years from the issuance date of warrant
Exercise ratio	1 warrant to 1 ordinary share unless there is a change in exercise ratio under the change conditions.
Exercise price	Baht 20.56 per share

Exercise period and proportion

The holders of SAPPE-WA2 can exercise the warrants to purchase ordinary shares of the Company after holding it for the specified period. The first exercise date is 12 months after issuing the warrants. The details are as follows:

The period of holding the warrants (month) after issuance	The right that can be exercised as a percentage of the warrants received
12	20%
18	30%
24	40%
30	55%
36	70%
42	100%

Fair value of warrants

Baht 6.9 - 8.3

The purchasing condition requires that the employees must have employee status on each date of exercising the right.

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	26.00
Exercise price warrant (Baht)	20.56
Historical volatility in 3 years and 3 months at the allotment date (% per semi-annual)	35.00
Historical dividend yield (%)	2.60
Risk free interest rate at the allotment date (%)	1.18 - 1.85

Expenses for share-based payment transactions in the consolidated and separate financial statements for the year ended 31 December 2021 were Baht 3.55 million (2020: Baht 6.87 million).

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

	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
Exercise	7.21	(1,709)	-	-
At 31 December	<u>8.09</u>	<u>2,351</u>	<u>7.72</u>	<u>4,060</u>

20 Legal reserves

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

21 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.

Sappe Public Company Limited and its Subsidiaries

Year ended 31 December	Health drinking products	Coconut products	Other segments	Total	Eliminate	Net
	2021	2020	2021	2020	2021	2020
<i>Information about reportable segments</i>						
External revenues	3,181,557	2,991,547	35,056	3,444,160	-	3,444,160
Inter-segment revenue	66	331	-	89,042	(89,042)	-
Total revenue	3,181,623	2,991,878	35,056	3,533,202	(89,042)	3,444,160
<i>Disaggregation of revenue</i>						
Primary geographical markets						
Thailand	1,023,022	1,283,233	-	1,298,901	(89,042)	1,209,859
Indonesia and Philippines	704,926	667,788	-	704,926	-	704,926
Korea	333,985	247,274	-	333,985	-	333,985
Others	1,119,690	793,583	35,056	1,195,390	-	1,195,390
Total revenue	3,181,623	2,991,878	35,056	3,533,202	(89,042)	3,444,160
Major products						
Drinks	2,734,348	2,482,362	35,056	3,018,742	(46,816)	2,971,926
Others	447,275	509,516	-	514,460	(42,226)	472,234
Total revenue	3,181,623	2,991,878	35,056	3,533,202	(89,042)	3,444,160
Share of profit (loss) of investments in associates						
	(20,477)	(15,555)	243	(20,234)	-	(20,234)
Segment profit (loss) before income tax						
Interest income	510,966	465,553	4,625	516,319	(104)	516,215
Depreciation and amortisation	1,753	5,226	-	1,753	(536)	1,217
Tax expense	176,406	180,365	543	197,878	-	197,878
Investment in associates	105,273	94,473	21	105,980	-	105,980
Segment assets	18,712	14,189	70,243	88,955	-	88,955
Segment liabilities	3,783,682	3,546,783	226,126	4,269,486	(421,085)	3,848,401
	797,915	715,406	46,307	894,416	(52,486)	841,930
				821,133		774,052

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

<i>Year ended 31 December</i>	Separate financial statements	
	Reportable segments	
	2021	2020
	<i>(in thousand Baht)</i>	
Disaggregation of revenue		
Primary geographical markets		
Thailand	1,023,022	1,283,233
Indonesia and Philippines	704,926	667,788
Korea	333,985	247,274
Others	1,119,690	793,583
Total revenue	3,181,623	2,991,878
Major products		
Drinks	2,734,348	2,482,362
Others	447,275	509,516
Total revenue	3,181,623	2,991,878

(b) Geographical segments

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

<i>Geographical information</i>	Consolidated financial statements			
	Revenues		Non-current assets	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Thailand	1,209,859	1,513,898	1,323,763	1,284,323
Indonesia and Philippines	704,926	667,788	-	-
Korea	333,985	247,274	-	-
Others	1,195,390	839,124	945	1,520
Total	3,444,160	3,268,084	1,324,708	1,285,843

(c) Major customer

Revenues from 2 major customers of the Group's represent approximately Baht 705 million (2020: 2 customers approximately Baht 668 million) of the Group's total revenues.

22 Other income

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Freight income	232,619	17,710	232,430	17,660
Interest income	1,251	4,728	1,753	5,226
Revenue from scrap sales	310	1,364	284	1,339
Other	34,426	29,047	29,891	25,973
Total	268,606	52,849	264,358	50,198

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

23 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		(3,475)	(4,527)	(41,605)	(1,369)
Raw materials and consumables used		1,523,814	1,430,010	1,408,738	1,283,405
Employee benefit expenses		420,494	429,248	386,375	371,425
Transportation expenses		356,274	110,359	351,309	105,682
Sale promotion expenses		328,545	250,783	316,190	246,530
Depreciation and amortisation expenses	12, 13, 15	197,878	202,165	176,406	180,365
Utilities expenses		80,977	81,667	66,192	67,270
Wages		65,662	134,717	65,662	134,717
Others		197,096	182,653	168,487	163,154
Total cost of sales of goods, distribution costs and administrative expenses		3,167,265	2,817,075	2,897,754	2,551,179

During the year 2021, the Group and the Company has contributed provident fund for its employees amounting to Baht 6.23 million and Baht 5.99 million, respectively (2020: Baht 5.84 million and Baht 5.57 million, respectively), which included in employee benefit expenses.

24 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	107,394	96,934	106,739	95,933
	107,394	96,934	106,739	95,933
Deferred tax expense				
Movement in temporary differences	(1,414)	(968)	(1,466)	(1,460)
Total income tax expense	105,980	95,966	105,273	94,473

<i>Reconciliation of effectively tax rate</i>	Consolidated financial statements			
	Rate	2021	Rate	2020
	(%)	<i>(in thousand Baht)</i>	(%)	<i>(in thousand Baht)</i>
Profit before income tax		516,215		481,917
Income tax using the Thai corporation tax rate	20	103,243	20	96,383
Effect of different tax rates in foreign jurisdictions		(248)		(1,354)
Income not subject to tax		4,047		3,111
Additional expenses deductible		(3,968)		(5,614)
Expenses not deductible for tax purposes		2,906		3,440
Total	21	105,980	20	95,966

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Reconciliation of effectively tax rate

	Separate financial statements			
	Rate (%)	2021 (in thousand Baht)	Rate (%)	2020 (in thousand Baht)
Profit before income tax		531,443		481,108
Income tax using the Thai corporation tax rate	20	106,289	20	96,222
Additional expenses deductible		(3,456)		(4,515)
Expenses not deductible for tax purposes		2,440		2,766
Total	20	105,273	20	94,473

Deferred tax

At 31 December

	Consolidated financial statements		Separate financial statements	
	2021	2020 (in thousand Baht)	2021	2020
Deferred tax assets	20,527	18,809	19,887	18,288
Deferred tax liabilities	(3,714)	(3,410)	(210)	(77)
Net	16,813	15,399	19,677	18,211

Deferred tax

	Consolidated financial statements		
	At 1 January 2021	(Charged) / Credited to Profit or loss (in thousand Baht)	At 31 December 2021
Deferred tax assets			
Investment in debt instruments	-	49	49
Trade accounts receivable	248	122	370
Other current receivables	2,981	125	3,106
Short-term loans to related parties	1,726	48	1,774
Inventories	3,422	315	3,737
Property, plant and equipment	3,512	(933)	2,579
Right-of-use assets	1,089	3,180	4,269
Lease liabilities	-	(3,104)	(3,104)
Provisions for employee benefit	5,522	1,800	7,322
Other current payables	309	116	425
Total	18,809	1,718	20,527
Deferred tax liabilities			
Property, plant and equipment	(1,655)	(81)	(1,736)
Lease liabilities	(1,678)	(90)	(1,768)
Derivatives	(77)	(133)	(210)
Total	(3,410)	(304)	(3,714)
Net	15,399	1,414	16,813

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Consolidated financial statements					
	At 1 January 2020	Impact on changes in accounting policies	At 1 January 2020 (Restated) (in thousand Baht)	(Charged) / Credit to Profit or loss	At 31 December 2020
Deferred tax					
Deferred tax assets					
Trade accounts receivable	271	41	312	(64)	248
Other current receivables	2,736	670	3,406	(425)	2,981
Short-term loans to related parties	1,578	-	1,578	148	1,726
Inventories	1,265	-	1,265	2,157	3,422
Property, plant and equipment	4,446	-	4,446	(934)	3,512
Right-of-use assets	-	901	901	188	1,089
Provisions for employee benefit	4,060	-	4,060	1,462	5,522
Other current payables	1,528	-	1,528	(1,219)	309
Total	15,884	1,612	17,496	1,313	18,809
Deferred tax liabilities					
Property, plant and equipment	(1,908)	-	(1,908)	253	(1,655)
Lease liabilities	(1,076)	181	(895)	(783)	(1,678)
Derivatives	(514)	253	(261)	184	(77)
Total	(3,498)	434	(3,064)	(346)	(3,410)
Net	12,386	2,046	14,432	967	15,399

Separate financial statements			
	At 1 January 2021	(Charged) / Credit to Profit or loss (in thousand Baht)	At 31 December 2021
Deferred tax			
Deferred tax assets			
Investment in debt instruments	-	49	49
Trade accounts receivable	-	5	5
Other current receivables	2,981	116	3,097
Short-term loans to related parties	1,726	48	1,774
Inventories	3,289	392	3,681
Property, plant and equipment	3,512	(933)	2,579
Right-of-use assets	1,089	76	1,165
Provisions for employee benefit	5,404	1,716	7,120
Other current payables	287	130	417
Total	18,288	1,599	19,887
Deferred tax liabilities			
Derivatives	(77)	(133)	(210)
Total	(77)	(133)	(210)
Net	18,211	1,466	19,677

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Separate financial statements				
	At 1 January 2020	Impact on changes in accounting policies	At 1 January 2020 (Restated) (in thousand Baht)	(Charged) / Credit to Profit or loss	At 31 December 2020
Deferred tax					
Deferred tax assets					
Trade accounts receivable	46	6	52	(52)	-
Other current receivables	2,736	670	3,406	(425)	2,981
Short-term loans to related parties	1,578	-	1,578	148	1,726
Inventories	1,118	-	1,118	2,171	3,289
Property, plant and equipment	4,446	-	4,446	(934)	3,512
Right-of-use assets	-	901	901	188	1,089
Provisions for employee benefit	3,991	-	3,991	1,413	5,404
Other current payables	1,520	-	1,520	(1,233)	287
Total	15,435	1,577	17,012	1,276	18,288
Deferred tax liabilities					
Derivatives	(514)	253	(261)	184	(77)
Total	(514)	253	(261)	184	(77)
Net	14,921	1,830	16,751	1,460	18,211

The Company has not recognised deferred tax liabilities arising from temporary differences on currency translation difference of the subsidiaries' financial statements because the Company does not intend to dispose of investments in the subsidiaries in the foreseeable future.

During 2021, The Group's subsidiaries, Sappe Holding (Thailand) Co., Ltd, All Coco Group Co., Ltd. and Sappe Hong Kong Co., Ltd. have not recognised deferred tax assets arising from temporary differences on investment in subsidiaries totalling Baht 2.9 million, Baht 3.0 million and Baht 2.0 million, respectively (2020: Baht 2.9 million, Baht 3.0 million and Baht 2.0 million) because the Company have cumulative tax losses.

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

25 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht / thousand shares)</i>			
<i>Profit attributable to ordinary shareholders</i>				
Profit attributable to ordinary shareholders of the Company (basic)	<u>410,814</u>	<u>380,161</u>	<u>426,170</u>	<u>386,636</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>410,814</u>	<u>380,161</u>	<u>426,170</u>	<u>386,636</u>
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	304,378	304,378	304,378	304,378
Effect of shares options exercised	<u>861</u>	<u>-</u>	<u>861</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (basic) at 31 December	<u>305,239</u>	<u>304,378</u>	<u>305,239</u>	<u>304,378</u>
Effect of exercise of shares options	<u>469</u>	<u>-</u>	<u>469</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (diluted) at 31 December	<u>305,708</u>	<u>304,378</u>	<u>305,708</u>	<u>304,378</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>1.35</u>	<u>1.25</u>	<u>1.40</u>	<u>1.27</u>
Earnings per share (dilute) <i>(in Baht)</i>	<u>1.34</u>	<u>1.25</u>	<u>1.39</u>	<u>1.27</u>

26 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in thousand Baht)</i>
2021				
2020 Annual dividend	29 April 2021	27 May 2021	<u>1.02</u>	<u>310,463</u>
2020				
2020 Interim dividend	26 March 2020	24 April 2020	<u>0.83</u>	<u>252,567</u>

27 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 2021

			Consolidated financial statements				
			Carrying amount	Fair value			
			Financial instruments measured at amortised cost	Financial instruments measured at FVTPL	Total	Level 1	Level 2
<i>At 31 December</i>	<i>Note</i>					<i>(in thousand Baht)</i>	
						Level 3	Total
2021							
Financial assets							
Other financial assets							
Investment in debt instruments			66,752	1,371,106	1,437,858	-	1,438,101
Total other financial assets			66,752	1,371,106	1,437,858	-	1,438,101
Financial liabilities							
Loans from related parties	5		(9,460)	-	(9,460)	-	(9,460)
Derivatives liabilities			-	(436)	(436)	-	(436)
2020							
Financial assets							
Other financial assets							
Investment in 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	-	3,536
Financial liabilities							
Loans from financial institutions			(31)	-	(31)	-	(31)
Loans from related parties	5		(9,352)	-	(9,352)	-	(9,352)

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	<i>Note</i>	Carrying amount			Separate financial statements				Fair value
		Financial instruments measured at FV/TPL	Financial instruments measured at amortised cost	Total	Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	Total	
At 31 December									
2021									
Financial assets									
Loans to related parties	5	-	5,610	5,610	-	5,610	-	5,610	
Other financial assets									
Investment in debt instruments		1,371,106	66,752	1,437,858	66,995	1,371,106	-	1,438,101	
Total other financial assets		1,371,106	66,752	1,437,858					
Financial liabilities									
Derivatives liabilities		(436)	-	(436)	-	(436)	-	(436)	
2020									
Financial assets									
Loans to related parties	5	-	5,610	5,610	-	5,610	-	5,610	
Other financial assets									
Investment in 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 financial statements

For the year ended 31 December 2021

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.

The fair value of investment in debt securities and financial liabilities measured at amortised costs are calculated by discounted cash flows technique.

(b) *Financial risk management policies*

Risk management framework.

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

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

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 21 (b) and 21 (c).

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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 7.

(b.1.2) Investment in debt securities

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

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

(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 liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

		Consolidated financial statements			
			Contractual cash flows		
			More than		
			1 year but		
			less than 5		
			years	More than	
<i>At 31 December</i>	Carrying amount	1 year or less		5 years	Total
			<i>(in thousand Baht)</i>		
2021					
<i>Non-derivative financial liabilities</i>					
Bank overdraft	1,888	1,888	-	-	1,888
Trade payables	180,815	180,815	-	-	180,815
Loan from related parties	9,460	9,460	-	-	9,460
Lease liabilities	61,948	11,923	26,267	37,035	75,225
	<u>254,111</u>	<u>204,086</u>	<u>26,267</u>	<u>37,035</u>	<u>267,388</u>
<i>Derivative financial liabilities</i>					
Forward exchange contracts:					
- Cash outflow	(436)	(214,512)	-	-	(214,512)
- Cash inflow	-	214,076	-	-	214,076
	<u>(436)</u>	<u>(436)</u>	<u>-</u>	<u>-</u>	<u>(436)</u>
2020					
<i>Non-derivative financial liabilities</i>					
Bank overdraft	1,462	1,462	-	-	1,462
Trade payables	217,939	217,939	-	-	217,939
Loans from financial institutions	31	31	-	-	31
Loan from related parties	9,352	9,352	-	-	9,352
Lease liabilities	91,228	26,095	31,729	43,496	101,320
	<u>320,012</u>	<u>254,879</u>	<u>31,729</u>	<u>43,496</u>	<u>330,104</u>
<i>Derivative financial liabilities</i>					
Forward exchange contracts:					
- Cash outflow	-	(67,688)	-	-	(67,688)
- Cash inflow	3,536	71,224	-	-	71,224
	<u>3,536</u>	<u>3,536</u>	<u>-</u>	<u>-</u>	<u>3,536</u>

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

At 31 December	Separate financial statements				
	Carrying amount	1 year or less	Contractual cash flows		Total
			More than 1 year but less than 5 years (in thousand Baht)	More than 5 years	
2021					
Non-derivative financial liabilities					
Trade payables	192,602	192,602	-	-	192,602
Lease liabilities	53,047	10,307	23,925	27,108	61,340
	<u>245,649</u>	<u>202,909</u>	<u>23,925</u>	<u>27,108</u>	<u>253,942</u>
Derivative financial liabilities					
Forward exchange contracts:					
- Cash outflow	(436)	(214,512)	-	-	(214,512)
- Cash inflow	-	214,076	-	-	214,076
	<u>(436)</u>	<u>(436)</u>	<u>-</u>	<u>-</u>	<u>(436)</u>
2020					
Non-derivative financial liabilities					
Trade payables	228,783	228,783	-	-	228,783
Lease liabilities	68,568	12,065	28,183	33,157	73,405
	<u>297,351</u>	<u>240,848</u>	<u>28,183</u>	<u>33,157</u>	<u>302,188</u>
Derivative financial liabilities					
Forward exchange contracts:					
- Cash outflow	-	(67,688)	-	-	(67,688)
- Cash inflow	3,536	71,224	-	-	71,224
	<u>3,536</u>	<u>3,536</u>	<u>-</u>	<u>-</u>	<u>3,536</u>

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to 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.

Sappe Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Exposure to foreign currency at 31 December	Consolidated financial statements					2020		
	2021	2021		2020		2020		
	USD	EUR	HKD	CNY	USD	EUR	HKD	CNY
Cash and cash equivalents	81	15	11,977	698	77	11	10,884	614
Trade accounts receivables	67,092	39,102	-	-	54,041	12,407	-	-
Other current receivables	-	1,356	-	2,200	84	1,678	-	2,064
Interest-bearing liabilities	-	(5,958)	-	-	-	(5,531)	-	-
Trade payables	-	(203)	-	-	(3,502)	(554)	-	(229)
Other current payables	(48,866)	(8,848)	(94)	(567)	(52,260)	(10,961)	(43)	(282)
Net statement of financial position exposure	18,307	25,464	11,883	2,331	(1,560)	(2,950)	10,841	2,167
Forward exchange selling contracts	(67,092)	-	-	-	(54,125)	-	-	-
Net exposure	(48,785)	25,464	11,883	2,331	(55,685)	(2,950)	10,841	2,167
Separate financial statements								
Exposure to foreign currency at 31 December	2021		2020		2020		2020	
	USD	EUR	CNY	USD	EUR	CNY	EUR	
	(in thousand Baht)							
	63	2	-	61	2	-	-	
	62,354	31,233	-	48,434	5,647	-	-	
	-	-	-	84	-	-	-	
	-	-	-	(3,502)	-	(229)	-	
Other current payables	(48,369)	(1,775)	-	(51,925)	(5,711)	-	-	
Net statement of financial position exposure	14,048	29,460	-	(6,848)	(62)	(229)	(229)	
Forward exchange selling contracts	(62,354)	-	-	(48,518)	-	-	-	
Net exposure	(48,306)	29,460	-	(55,366)	(62)	(229)	(229)	

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

(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.

28 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.

29 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		Financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Capital commitments				
Machinery, equipment and other constructions	26,609	23,144	26,609	20,804
Total	26,609	23,144	26,609	20,804
Other commitments				
Short-term lease commitments	455	822	-	-
Service agreement	20,277	9,993	19,881	9,436
Bank guarantees	10,616	10,616	10,616	10,616
Total	31,348	21,431	30,497	20,052

30 Treasury shares

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

As of 30 December 2020, the share repurchase program ended, the Company did not repurchase any ordinary shares during this period.

31 Event after the reporting period

On 30 December 2021, warrants were exercised by the Company's management and employees. The Company received in cash of Baht 25.48 million. On 4 January 2022, increase in the paid-up capital from Baht 306,086,680 to Baht 307,325,780 (comprising 1,239,100 shares at par value Baht 1 per share) have been registered with the Ministry of Commerce.