

2020

**SAPPE
ANNUAL REPORT**

INNO•
RESIL
IENCE

2020

when innovation and resilience come together

INNO-RESILIENCE

อาจจะสะดุดแต่เราจะไม่ยอมหยุดสร้างสรรค์

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เราจะทำให้ชีวิตของผู้คนดีขึ้น ผ่านจิตวิญญาณที่สร้างสรรค์ของเรา
We better people's lives through our innovative spirit

VISION & MISSION

Vision

“Becoming the preferred and trusted global brand driven by a team of passionate and synergistic top talents passionately working happily together in a dynamically innovative workplace.”

Mission

“Be an inspiring Thai model organization delivering superior choices of food & beverages to better people’s lives.”





MESSAGE FROM CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Although 2020 may not be the happiest year for everyone, it was one of the most enjoyable and creative years for us. Our journey in 2020 was very challenging because we all faced dramatic situation and changes that severely affect people's lives and the global economy. The Covid-19 pandemic has been a big wave of change allowing us to learn to adapt, to be patient, and to never give up, so we can get through the hard times together.

Over the past year, we have continued to innovate health and beauty food and beverages, as well as expanded the market through new formats of distribution channels both domestically and internationally. Despite the challenges of exporting products to foreign countries and domestic lockdown measures, the growth of domestic functional drink products has become significantly prominent due to the adjustment of production plan to meet changing consumers' needs in a timely manner. As a result, in December, the company was able to gain 45.8% market share with the increases in both domestic, 45% of total revenue, and international sales (55% of total revenue) over 90 countries.

The company gained 45.8% market share with increase in both domestic and international sales.

>90
COUNTRIES

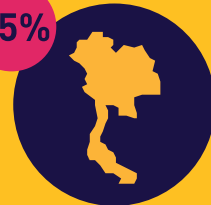


55%



EXPORT

45%



DOMESTIC

Despite the Covid-19 pandemic crisis, we never stop developing new products to meet consumers' needs toward health-conscious products. Healthy drinks such as "Gumi Gumi Jelly" and "B'lue Vitamin Jelly" with high vitamin C to boost immunity and to fight free radicals as well as B'lue, fruit flavored vitamin water, constantly launched to the market. This also includes new product under fruit juice drink category, "Mogu Mogu Ice Burst", the first fruit juice mixed with coconut jelly in the format of snowflake ice cream available in 2 flavors, Lychee and Strawberry. This ice burst comes with an exotic taste in a ready-to-eat package, which can be stored at ambient temperature and becomes snowflake ice cream when storing in the freezer.



BRAND COLLABORATIONS

B'lue x FREE FIRE

THE COFFEE CLUB × **all COCO**

YOU&I × **all COCO**

We restructured the sales function to maintain growth by expanding marketing channels through higher penetration into the local traditional trade channel nationwide, through 360 degrees offline and online platforms, including the Market place, TV Direct sales, and Social Media to respond to the dynamic changes of consumers' behaviors. This also included the differentiation of marketing communication campaigns in the form of brand collaboration with business partners, such as the B'lue x Free Fire campaign expanding to the gaming market and creating consumer base of new generation during work from home period, ALL COCO x The Coffee Club, a premium Café chain, ALL COCO x YOU & I, a premium Shabu restaurant chain, to offer consumers unique consumption experience, creating stronger brand awareness and maintaining positions of a leading innovative food and beverage company and of No.1 Thai brand in the hearts of consumers recognized locally and globally.



Our success has come from strong supports from stakeholders, management team, employees, as well as trade partners through the mutual belief that *"We better people's lives through our innovative spirit"*. Through the process of co-thinking, co-creating and non-stop overcoming the challenges together in a space, called *"Sappe, Home of Innovators"*, all Sappe innovators work with joy to create new approaches and ideas through various activities and trainings, helping promote work collaboration and improve skills, resulting the best outcomes in terms of quality of work and quality of life. We will continue to develop and deliver reliable, unique, innovative, safe and high-quality products to meet consumers' needs.



On behalf of the Board of Directors, executives, and all employees, we would like to thank all shareholders, investors, customers, communities, media partners, and business partners who have always trusted and supported us to grow steadily. We will strive to the fullest to develop our organization, to grow sales, to maintain market share and to expand the market both domestically and internationally, while constantly conducting the business in consideration of communities and society, environmental and stakeholders' interests.

We will continue our journey on the challenging path. Even though we fall, we will never stop moving forward with stronger steps. We will do our best to deliver consumers happiness through our innovative products. Regardless the situation is, *we will always get through it.*

Mr. Natee Onin
Chairman of the Board of Directors

Ms. Piyajit Ruckariyapong
Director, Executive Committee,
and Chief Executive Officer

Statement of financial position - Consolidated financial statements

Statement of financial position	31-Dec-20		31-Dec-19		31-Dec-18		31-Dec-17	
	million baht	%	million baht	%	million baht	%	million baht	%
ASSETS	3,647.16	107.59	3,389.97	100.00	2,922.91	100.00	2,758.41	100.00
Current assets	2,361.32	69.66	1,943.88	57.34	1,604.56	54.90	1,498.26	54.32
Cash and cash equivalent	194.39	5.73	181.70	5.36	172.64	5.91	155.68	5.64
Current investments	1,415.10	41.74	1,132.13	33.40	915.80	31.33	905.21	32.82
Trade accounts receivable	435.59	12.85	352.87	10.41	248.96	8.52	203.21	7.37
Other receivables	64.46	1.90	40.95	1.21	36.72	1.26	43.13	1.56
Short-term loans to related parties	-	-	-	-	8.00	0.27	8.00	0.29
Inventories	221.07	6.52	216.90	6.40	213.77	7.31	176.19	6.39
Other current assets	30.71	0.91	19.33	0.57	8.67	0.30	6.84	0.25
Non-current assets	1,285.84	37.93	1,446.09	42.66	1,318.35	45.10	1,260.15	45.68
Investment in associates	14.19	0.42	29.74	0.88	142.01	4.86	141.93	5.15
Other long-term investments	-	-	100.00	2.95	50.00	1.71	-	-
Property, plant and equipment	1,006.22	29.68	1,133.84	33.45	1,055.95	36.13	1,048.12	38.00
Right-of-use assets	96.76	2.85						
Goodwill	90.90	2.68	90.90	2.68	-	-	-	-
Intangible assets other than goodwill	49.95	1.47	56.06	1.65	52.30	1.79	56.30	2.04
Deferred tax assets	18.31	0.54	14.96	0.44	12.79	0.44	9.40	0.34
Other non-current assets	9.51	0.28	20.59	0.61	5.30	0.18	4.40	0.16
LIABILITIES AND EQUITY	3,647.16	107.59	3,389.97	100.00	2,922.91	100.00	2,758.41	100.00
LIABILITIES	774.05	22.83	646.20	19.06	499.37	17.08	506.01	18.34
Current liabilities	670.50	19.78	602.71	17.78	482.47	16.51	493.00	17.87
Bank overdraft	1.46	0.04	-	-	0.95	0.03	1.05	0.04
Trade accounts payable	217.94	6.43	182.08	5.37	176.34	6.03	168.60	6.11
Other payables	360.00	10.62	366.35	10.81	272.99	9.34	276.09	10.01
Current portion of long-term loans from financial institutions	0.03	0.00	0.10	0.00	-	-	-	-
Short-term loans from related parties	9.35	0.28	10.98	0.32	3.99	0.14	4.18	0.15
Current portion of finance lease liabilities	25.33	0.75	6.50	0.19	0.30	0.01	-	-
Current tax payable	56.39	1.66	36.70	1.08	27.90	0.95	43.08	1.56

Statement of financial position - Consolidated financial statements

Statement of financial position	31-Dec-20		31-Dec-19		31-Dec-18		31-Dec-17	
	million baht	%	million baht	%	million baht	%	million baht	%
Non-Current liabilities	103.55	3.05	43.49	1.28	16.90	0.58	13.01	0.47
Long-term loans from financial institution	-	-	0.03	0.00	-	-	-	-
Finance lease liability	65.90	1.94	12.45	0.37	0.42	0.01	-	-
Deferred tax liabilities	2.91	0.09	2.57	0.08	-	-	-	-
Non-current provisions for employee benefit	27.61	0.81	20.30	0.60	12.43	0.43	8.75	0.32
Other non-current liabilities	7.13	0.21	8.14	0.24	4.05	0.14	4.26	0.15
EQUITY	2,873.11	84.75	2,743.77	80.94	2,423.54	82.92	2,252.40	81.66
Issued and paid-up share capital	304.38	8.98	304.38	8.98	304.37	10.41	303.08	10.99
Share premium on ordinary shares	975.61	28.78	975.61	28.78	975.34	33.37	956.75	34.68
Warrant	27.80	0.82	20.93	0.62	9.07	0.31	1.93	0.07
Retained earnings - Legal reserve	30.84	0.91	30.84	0.91	30.84	1.06	30.46	1.10
Retained earnings - Unappropriate	1,433.30	42.28	1,312.46	38.72	1,109.71	37.97	968.55	35.11
Difference arising from common control transactions	(4.37)	(0.13)	(4.37)	(0.13)	(4.36)	(0.15)	(4.37)	(0.16)
Currency translation differences	4.03	0.12	7.34	0.22	3.42	0.12	0.91	0.03
Equity attributable to Non-controlling interests	101.52	2.99	96.58	2.85	(4.85)	(0.17)	(4.91)	(0.18)

Statement of financial position - Separate financial statements

Statement of financial position	31-Dec-20		31-Dec-19		31-Dec-18		31-Dec-17	
	million baht	%	million baht	%	million baht	%	million baht	%
ASSETS	3,546.78	100.00	3,279.25	100.00	2,951.81	100.00	2,810.87	100.00
Current assets	2,248.19	63.39	1,849.27	56.39	1,581.80	53.59	1,500.20	53.37
Cash and cash equivalent	151.92	4.28	124.39	3.79	159.56	5.41	142.52	5.07
Current investments	1,415.10	39.90	1,132.13	34.52	915.80	31.02	905.21	32.20
Trade accounts receivable	418.91	11.81	334.59	10.20	244.37	8.28	199.36	7.09
Other receivables	63.02	1.78	42.87	1.31	36.78	1.25	56.74	2.02
Short-term loans to related parties	5.61	0.16	7.65	0.23	8.00	0.27	17.14	0.61
Inventories	175.51	4.95	188.98	5.76	209.64	7.10	173.03	6.16
Other current assets	18.12	0.51	18.66	0.57	7.65	0.26	6.20	0.22
Non-current assets	1,298.59	36.61	1,429.98	43.61	1,370.01	46.41	1,310.67	46.63
Investment in associates	290.16	8.18	290.16	8.85	197.16	6.68	197.16	7.01
Other long-term investments	-	-	100.00	3.05	50.00	-	-	-
Property, plant and equipment	881.24	24.85	973.01	29.67	1,052.46	35.65	1,043.41	37.12
Right-of-use assets	63.12	1.78						
Intangible assets other than goodwill	40.34	1.14	46.52	1.42	52.30	1.77	56.30	2.00
Deferred tax assets	18.21	0.51	14.92	0.46	12.79	0.43	9.40	0.33
Other non-current assets	5.52	0.16	5.37	0.16	5.30	0.18	4.40	0.16
LIABILITIES AND EQUITY	3,546.78	100.00	3,279.25	100.00	2,951.81	100.00	2,810.87	100.00
LIABILITIES	715.40	20.17	581.49	17.73	484.78	16.42	496.12	17.65
Current liabilities	631.38	17.80	561.54	17.12	472.35	16.00	487.37	17.34
Trade accounts payable	228.78	6.45	179.78	5.48	175.26	5.94	167.38	5.95
Other payables	335.21	9.45	345.16	10.53	269.19	9.12	276.91	9.85
Current portion of long-term loans from financial institutions	-	-	-	-	-	-	-	-
Current portion of finance lease liabilities	11.57	0.33	-	-	-	-	-	-
Current tax payable	55.82	1.57	36.60	1.12	27.90	0.95	43.08	1.53

Statement of financial position - Separate financial statements

Statement of financial position	31-Dec-20		31-Dec-19		31-Dec-18		31-Dec-17	
	million baht	%	million baht	%	million baht	%	million baht	%
Non-Current liabilities	84.02	2.37	19.95	0.61	12.43	0.42	8.75	0.31
Long-term loans from financial institution	-	-	-	-	-	-	-	-
Finance lease liability	57.00	1.61	-	-	-	-	-	-
Non-current provisions for employee benefit	27.02	0.76	19.95	0.61	12.43	0.42	8.75	0.31
EQUITY	2,831.38	79.83	2,697.76	82.27	2,467.03	83.58	2,314.75	82.35
Issued and paid-up share capital	304.38	8.58	304.38	9.28	304.37	10.31	303.08	10.78
Share premium on ordinary shares	975.61	27.51	975.61	29.75	975.34	33.04	956.75	34.04
Warrant	27.80	0.78	20.93	0.64	9.07	0.31	1.93	0.07
Retained earnings - Legal reserve	30.84	0.87	30.84	0.94	30.84	1.04	30.46	1.08
Retained earnings - Unappropriate	1,492.75	42.09	1,366.00	41.66	1,147.41	38.87	1,022.54	36.38

Statement of comprehensive income - Consolidated financial statements

Statement of comprehensive income	Consolidated financial statements							
	Year ended 31 December							
	2020		2019		2018		2017	
	million baht	%	million baht	%	million baht	%	million baht	%
Revenue								
Revenue from sale of goods	3,268.08	98.41	3,299.48	97.42	2,826.86	97.95	2,687.32	97.86
Other income	52.85	1.59	69.92	2.06	51.54	1.79	40.55	1.48
Gain from change in interest in associate			10.08	0.30				
Net foreign exchange gain			7.38	0.22	7.48	0.26	18.10	0.66
Total revenue	3,320.93	100.00	3,386.86	100.00	2,885.88	100.00	2,745.97	100.00
Expenses								
Cost of sales of goods	2,067.23	62.25	2,083.85	61.53	1,799.82	62.37	1,637.26	59.62
Distribution costs	451.48	13.59	490.11	14.47	383.49	13.29	363.49	13.24
Administrative expenses	298.36	8.98	290.70	8.58	265.48	9.20	242.62	8.84
Net foreign exchange loss	5.91	0.18						
Finance Cost	3.15	0.09	1.12	0.03	0.18	0.01	0.18	0.01
Total expenses	2,826.13	85.10	2,865.77	84.61	2,448.97	84.86	2,243.55	81.70
Reversal of impairment loss determined in accordance with TFRS 9	2.67	0.08						
Share of loss from associates accounted for using equity method	(15.55)	(0.47)	(18.35)	(0.54)	0.08	0.00	1.13	0.04
Profit before income tax expense	481.92	14.51	502.74	14.84	436.99	15.14	503.55	18.34
Tax expense	95.97	2.89	100.01	2.95	85.62	2.97	103.03	3.75
Profit for the year	385.95	11.62	402.73	11.89	351.37	12.18	400.52	14.59
Exchange differences on translating foreign operations	(3.73)		4.35		2.76		(0.37)	
Gain (loss) on remeasurements of defined benefit plans			0.53				0.33	
Other comprehensive income for the year, net of tax	(3.73)		4.88		2.76		(0.04)	
Total comprehensive income for the year	382.22		407.61		354.13		400.48	
Total comprehensive income (expense) attributable to								
Owners of the parent	376.85		407.50		354.07		401.26	
Non-controlling interests	5.37		0.11		0.06		(0.78)	
Total comprehensive income for the year	382.22		407.61		354.13		400.48	

Statement of comprehensive income - Separate financial statements

Statement of comprehensive income	Separate financial statements							
	Year ended 31 December							
	2020		2019		2018		2017	
	million baht	%	million baht	%	million baht	%	million baht	%
Revenue								
Revenue from sale of goods	2,991.88	98.35	3,051.48	97.51	2,799.07	97.88	2,663.26	97.85
Other income	50.20	1.65	65.58	2.10	49.90	1.74	39.76	1.46
Net foreign exchange gain	-		12.27	0.39	10.80	0.38	18.76	0.69
Total revenue	3,042.08	100.00	3,129.33	100.00	2,859.77	100.00	2,721.78	100.00
Expenses								
Cost of sales of goods	1,854.79	60.97	1,888.40	60.35	1,776.19	62.11	1,616.76	59.40
Distribution costs	423.24	13.91	456.90	14.60	379.57	13.27	352.92	12.97
Administrative expenses	273.15	8.98	265.40	8.48	283.14	9.90	229.35	8.43
Net foreign exchange loss	9.34	0.31	-	-	-	-	-	-
Finance Cost	2.10	0.07	0.00	0.00	0.00	0.00	0.03	0.00
Total expenses	2,562.62	84.24	2,610.69	83.43	2,438.90	85.28	2,199.06	80.79
Reversal of impairment loss determined in accordance with TFRS 9	1.65	0.05						
Profit before income tax expense	481.11	15.82	518.64	16.57	420.87	14.72	522.72	19.21
Tax expense	94.47	3.11	99.75	3.19	85.61	2.99	102.92	3.78
Profit for the year	386.64	12.71	418.89	13.39	335.26	11.72	419.80	15.42
Exchange differences on translating foreign operations	-		-		-		-	
Gain (loss) on remeasurements of defined benefit plans	-		0.53		-		0.33	
Other comprehensive income for the year, net of tax	-		0.53		-		0.33	
Total comprehensive income for the year	386.64		419.42		335.26		420.13	
Total comprehensive income (expense) attributable to								
Owners of the parent	386.64		419.42		335.26		420.13	
Non-controlling interests	-		-		-		-	
Total comprehensive income for the year	386.64		419.42		335.26		420.13	

Statements of cash flows - Consolidated financial statements

Unit: baht

Statements of cash flows	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Net cash from operating activities	539,910,069	605,655,849	433,473,242	712,113,596
Net cash from investing activities	(251,551,165)	(387,579,109)	(216,882,071)	(765,491,877)
Net cash from financing activities	(275,663,481)	(209,018,592)	(199,638,061)	(149,442,663)
Cash and cash equivalents at 1 January	181,695,045	172,637,193	155,684,171	358,505,286
Effect of disposals of investments in subsidiary	-	-	-	-
Effect of exchange rate changes on cash and cash equivalents	(1,463)	(296)	(88)	(171)
Cash and cash equivalents at 31 December	194,389,005	181,695,045	172,637,193	155,684,171

Statements of cash flows - Separated financial statements

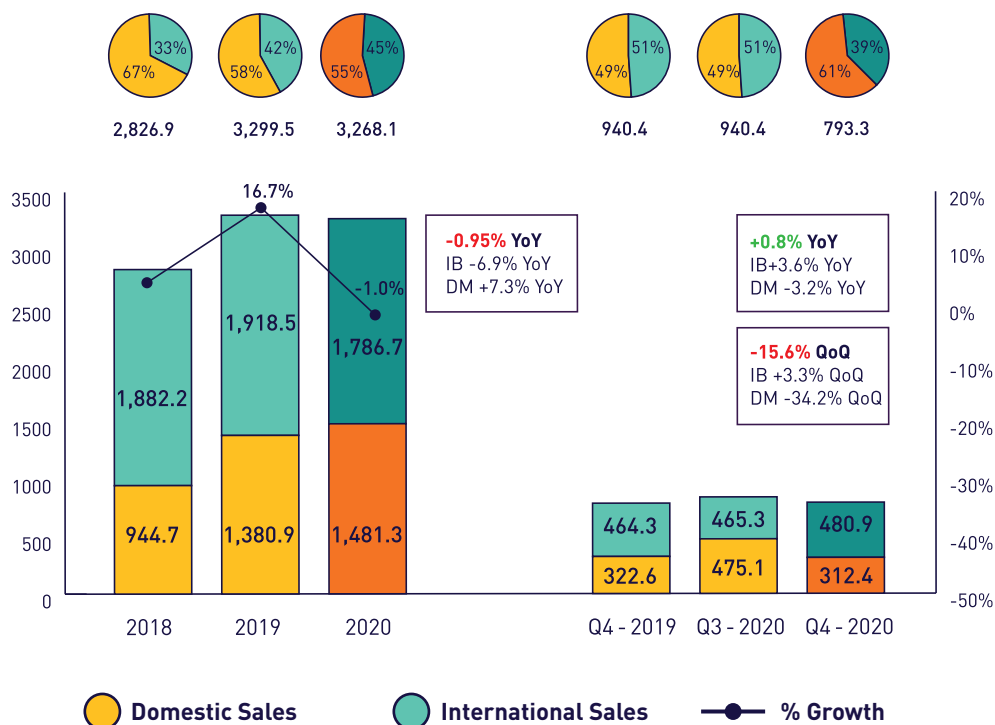
Unit: baht

Statements of cash flows	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Net cash from operating activities	532,191,434	590,240,545	431,855,536	729,966,543
Net cash from investing activities	(238,887,071)	(424,787,015)	(217,844,439)	(762,129,048)
Net cash from financing activities	(265,772,459)	(200,624,738)	(196,971,374)	(150,411,507)
Cash and cash equivalents at 1 January	124,386,959	159,558,463	142,518,828	325,093,011
Effect of exchange rate changes on cash and cash equivalents	(1,463)	(296)	(88)	(171)
Cash and cash equivalents at 31 December	151,917,400	124,386,959	159,558,463	142,518,828

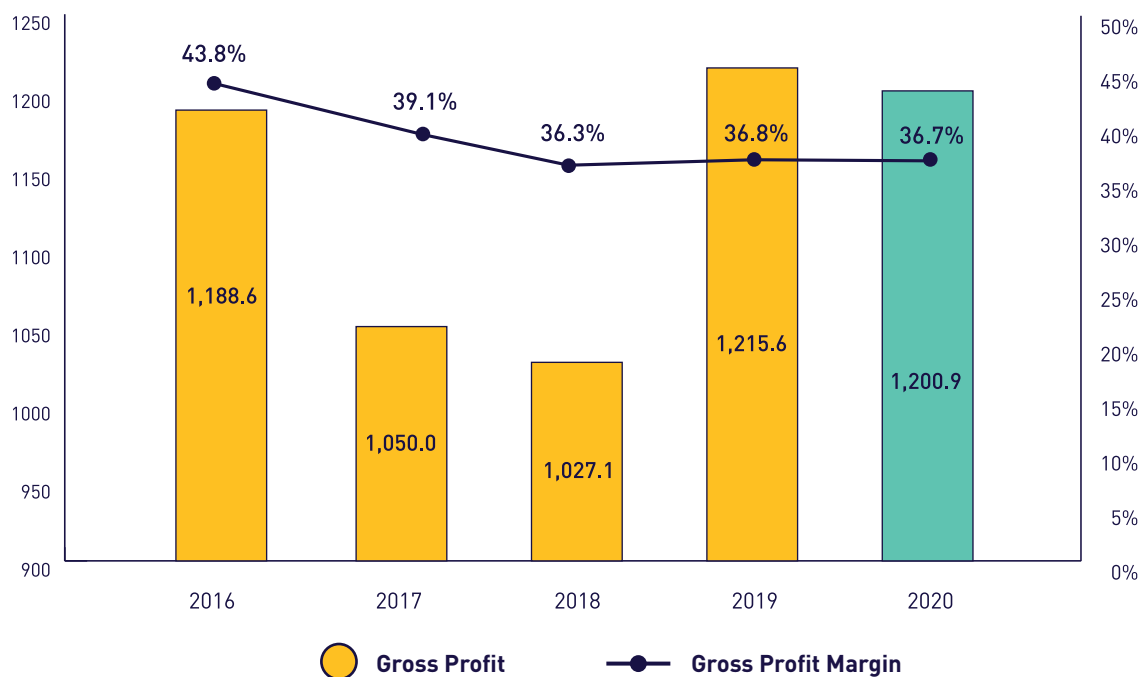
Financial ratios

Financial ratios	2020	2019	2018	2017
Liquidity ratio				
Liquidity ratio	3.52	3.23	3.33	3.04
Quick ratio	3.05	2.77	2.77	2.56
Cash ratio	0.85	1.12	0.89	1.44
Accounts receivable turnover	10.84	14.59	14.94	14.20
Average Collection Period (days)	33.22	24.67	24.10	25.36
Inventory turnover	26.31	27.01	21.96	24.10
Days Sales of Inventory (days)	13.68	13.33	16.40	14.94
Accounts payable turnover	10.34	11.63	10.44	9.71
Day Payable Outstanding (days)	34.83	30.96	34.50	37.07
Cash Cycle (days)	12.08	7.04	6.00	3.22
Profitability ratio				
Gross Profit Margin (%)	36.74	36.84	36.33	39.07
Operating Profit Margin (%)	13.52	13.14	13.37	16.56
Other income to Total Revenue (%)	1.59	2.28	2.05	2.14
Cash to Profit Margin (%)	122.17	139.65	114.71	160.06
Net Profit Margin (%)	11.62	11.89	12.18	14.59
Return of Equity (%)	13.74	15.59	15.03	18.83
Efficiency ratio				
Return on Assets (%)	10.97	12.76	12.37	15.37
Return of Fixed Assets (%)	54.34	53.56	48.00	51.38
Assets turnover	0.94	1.07	1.02	1.05
Financial policy ratio				
Debt to Equity	0.27	0.24	0.21	0.22
Interest Coverage	170.46	405.83	232.55	7,670.97
Debt service ability	0.84	1.10	1.13	0.60
Dividend Payout (%)	65.44	49.87	59.77	40.76

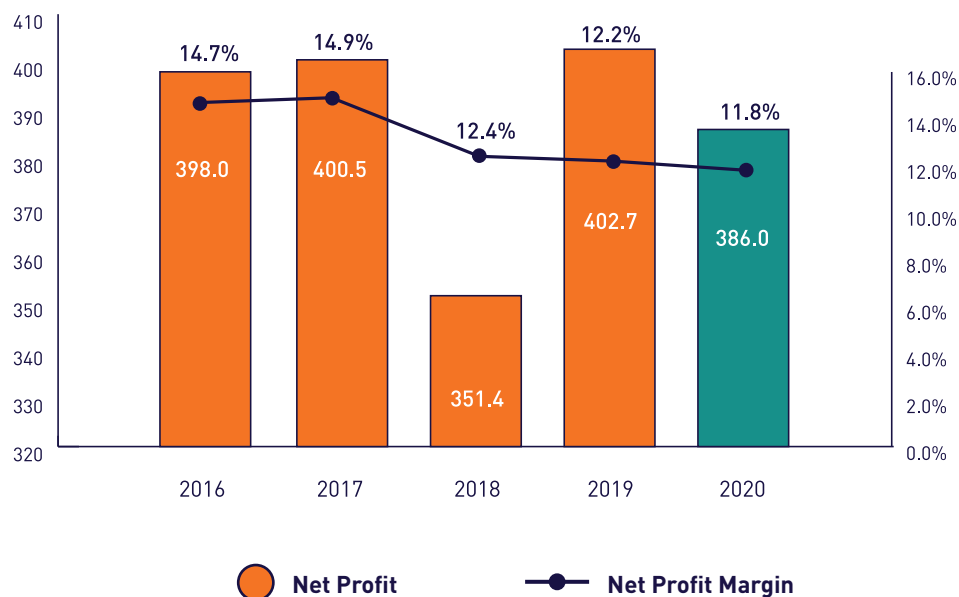
Revenue from sale of goods



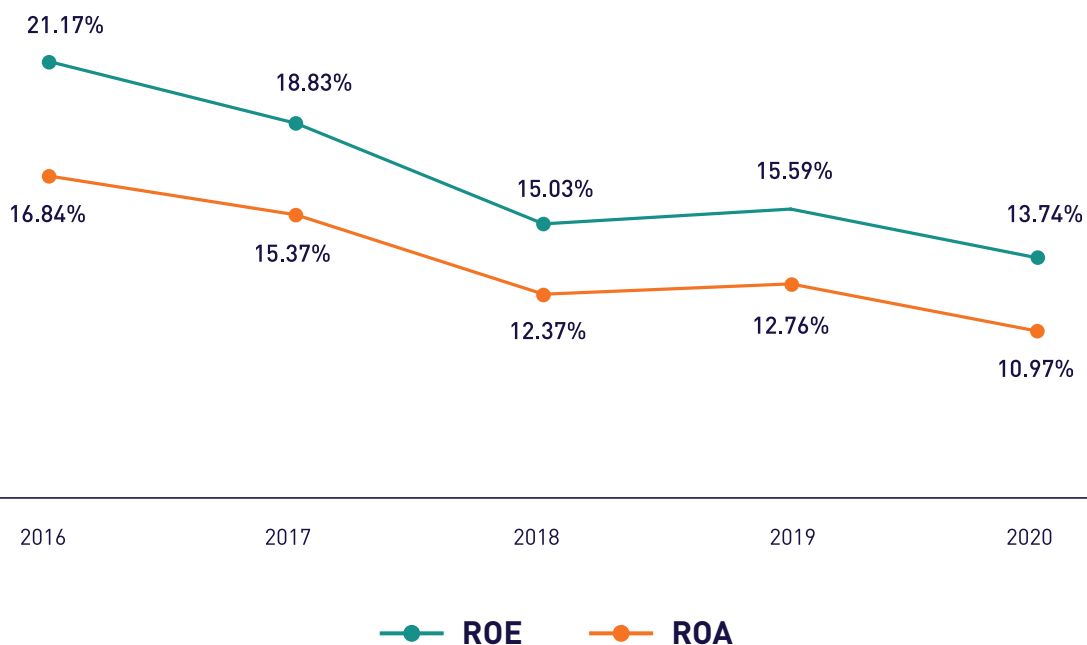
Gross Margin



Net Profit and Net Profit Margin



Return on Asset and Return on Equity



INNO-RESILIENCE

If we started thinking like everyone else, we would not be Sappe like today. Over the past years, we have been using innovation to spark creativity, grooming Sappe individuals to have the same concept and DNA because we believe that doing things through the true spirit, happiness and fun, the outcomes will always be the best. What we strive for is not only to improve our lives, but also to help us standing up and adapting to any upcoming situations and challenges very well.

INNO-
VATION



SAPPE
DNA

SAPPE PLAYGROUND

Good corporate culture leads to the right innovation... At Sappe, we are open for everyone to unleash their creativity in a place, called **Sappe Playground**, where everyone can share positive energy by leveraging individual DNA differences, so we can work well together to come up with innovative, creative and practical ideas.

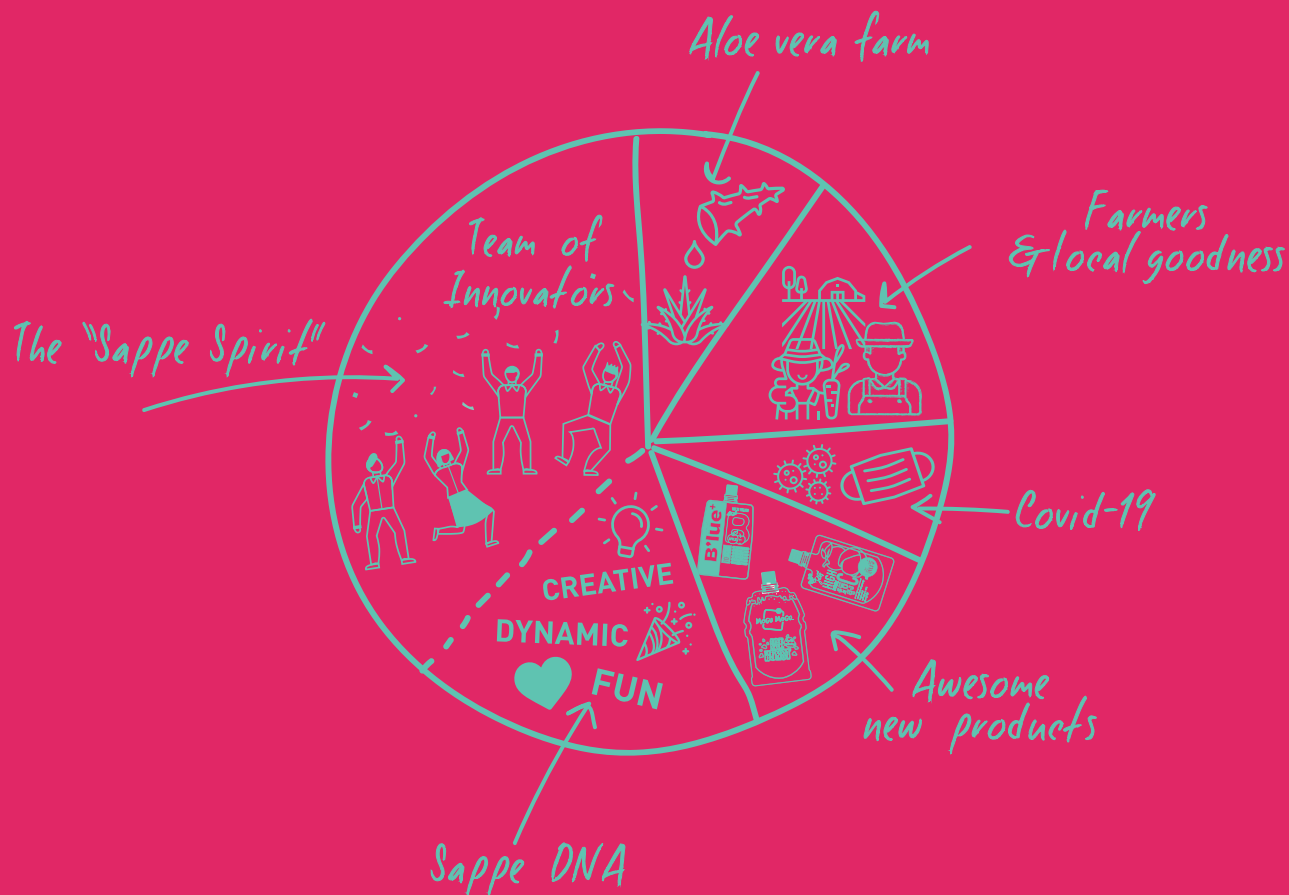
From ideas to practical innovation...

Continuous application of past years innovation has positively affected in cost-saving production during the COVID-19 crisis, resulting in production of various products to meet the market demand, growing the company's sales. Despite the crisis, we have never stopped looking for new ideas and product innovation to satisfy consumers at the right time. Healthy drinks have been launched to the market at a time when health is of the utmost importance, which included the launches of "**Gumi Gumi Jelly**" and "**B'lue Jelly**", products with high vitamin C to boost immunity and to fight free radicals, as well as B'lue, fruit-flavored vitamin water with a variety of scents and flavors. In addition, the world's first innovative product under fruit juice category, "**Mogu Mogu Ice Burst**", fruit juice mixed with coconut jelly in snowflake ice cream format available in 2 flavors, Lychee and Strawberry, has been launched to excite the market. This product provides an exotic taste in a ready-to-eat package which can be stored at ambient temperature, resulting in cost savings in terms of the retention of product shelf life and delivery. We have also modified the size and package of existing products in order to sell at more affordable price to our consumers during this crisis.

PRODUCT INNOVATIONS



Year 2020 for us



We can live, so can society... We never forget to share and care about people around us as we have always been. In addition to the Wan Wan Project, continuously promoted to grow aloe vera for the community, we have applied the innovation to add its value by processing the aloe vera left over from the sales to the aloe vera alcohol gel product. With this "SAPPE Knowledge to Community" project, it helps to encourage the community to produce standardized alcohol gel to the market, supporting and helping generate income for communities to sustainably get through any crises.

Today's proof let us know that we, Sappe executives, Sappe employees, and Sappe business partners, are ready to embrace all changes with innovative and creative spirit. We will never stop thinking and developing to do the best every day through the belief that **"We better people's lives through our innovative spirit."**





Mr. Natee Onin

Chairman



Mr. Adisak Ruckariyaphong

Vice Chairman and Chairman of
Executive Committee



Mr. Padungdej Indralak

Independent Director and
Chairman of Audit Committee



Ms. Kunnigar Triyangkulsri

Independent Director and
Audit Committee



Mr. Surath Palongsilp

Independent Director and
Audit Committee



Mr. Thana Thienachariya

Independent Director

BOARD MEMBERS



Mrs. Niratchara Siriamphunkul

Independent Director



Mr. Anan Ruckariyapong

Director, Executive Committee,
and President



Ms. Piyajit Ruckariyapong

Director, Executive Committee,
and Chief Executive Officer



Mr. Arnupap Ruckariyapong

Director, Executive Committee,
and Chief Operating Officer



FEBRUARY

Launched and distributed fruit-flavored vitamin water under the “B'lue” brand with the new flavor, “Crazy Cactus”, a product developed under Danone Sappe Beverages Company Limited. Rich in 3 types of vitamins, helping boosting immunity and nourishing brain and nervous systems.



MARCH

Launched and distributed a new product under Healthier Snack category, “ZeaMax” brand, the grilled fish snack, in a new smaller format of 10 grams at 10 baht price to target mass market.

SIGNIFICANT CHANGES AND DEVELOPMENTS IN 2020

APRIL



Launched and distributed a new product under “Gumi Gumi Jelly” brand, Healthier Snack category, providing soothing, sweet and sour taste, available in 2 flavors, Grape and Lychee. Gumi Gumi grape flavor contains high vitamin B complex, helping to improve brain function, relieve mood swings and stresses, while Gumi Gumi Lychee flavor offers high vitamin C to help boosting immune system, stimulating collagen creation and to antioxidants, perfectly serving the needs of consumers who are looking for healthy products during COVID-19 pandemic.



Launched “All Coco Truck-Ready to serve you at home” campaign to expand distribution channel by introducing All Coco’s truck café, travelling to different areas and communities to directly sell All Coco products to end consumers during implementation of Covid-19 lockdown measures.

SIGNIFICANT CHANGES AND DEVELOPMENTS IN 2020



MAY

Launched and distributed a new flavor of Mogu Mogu juice drink, “Mogu Mogu Raspberry” to international market.



Korean Market before. This product is the world’s first innovation of fruit juice with Nada de coco (or “coconut jelly”) in snowflake ice cream format, available in 2 flavors, Lychee and Strawberry. The product can be stored at ambient temperature and becomes snowflake ice cream when storing in the freezer.

Launched “B’lué x Free Fire” campaign for “B’lué Crazy Cactus”, the collaboration between Danone Sappe Beverages Company Limited and Garena, a leading online games developer and publisher with a global footprint.

Gained positive impact from reduction of excise tax rate, from 10% to 3%, imposed on main products such as Sappe Beauti Drink, Sappe Aloe Vera and Gumi Gumi, fruit juice with Nata de Coco, leading to a significant improving of the Company’s gross margin from July onwards.



AUGUST

Launched and distributed a new product under “All Coco” brand, Healthier Snack category, “All Coco Easy Pudding”, Nam Hom Coconut pudding, offering awesome taste with texture of coconut meat and pudding. The product can be kept in the freezer for a year and kept longer than the original formular in the fridge. The price offer is more affordable comparing to the original one at 29 baht vs. 49 baht by aiming to penetrate in Out of Home channel such as restaurants and schools.

Started a new production line at Klong 13 factory to manufacture some products under Healthier Snack category in pouch format

SEPTEMBER

Launched and distributed a new product under “Preaw” brand, Healthier Snack category, “Preaw Pudding”, a new alternative of milk tea konjac pudding with no sugar added and low in calorie, 40 Kcal, available in 2 flavors, Taiwanese milk tea and Caffé Macchiato.



JUNE

Launched and distributed 2 new formulars of “Sappe Beauti Jelly”, Chlorophyll formular, helping in detoxification and excretory system and Vitamin C formular, containing 200% Vitamin C to help boosting immunity and improve skin radiance from the inside out. These 2 formulars come with the refreshment, and low calorie of 40 Kcal per package.

JULY

Launched and distributed a new product under “Mogu Mogu” brand, “Mogu Mogu Ice Burst”, which has already been introduced to South



SIGNIFICANT CHANGES AND DEVELOPMENTS IN 2020



OCTOBER

Launched and distributed All Coco product under “The Coffee Club X All Coco” campaign, a collaboration between All Coco and The Coffee Club, becoming a signature menu, “Nam Hom Coconut Coffee”, offering consumers a perfect combination of All Coco’s aromatic scent and natural sweetness of Nom Hom coconut and The Coffee Club’s intensity of high-quality grade of coffee.



NOVEMBER

Launched and distributed a new fruit flavored vitamin water under “B'lue” brand, “B'lue C 200%, citrus flavor”, rich in 200% Vitamin C, Vitamin B3, B6 and B12, offering the refreshment with no sugar added and zero calories, serving the needs of health-conscious consumers.

Launched and distributed a new product under “B'lue” brand and Healthier Snack category, “B'lue Vitamin Jelly”, containing 10 types of vitamin and helping filling stomach with low calorie, available in 2 flavors, Orange flavor, high in Vitamin C to boost immunity and antioxidants, improve skin radiance and Apple flavor, high in Vitamin B, nourishing brain and nervous systems, boosting rejuvenation. It is the first jelly product in pouch format under co-development between the Company and Danone Sappe Beverages Company Limited.



DECEMBER

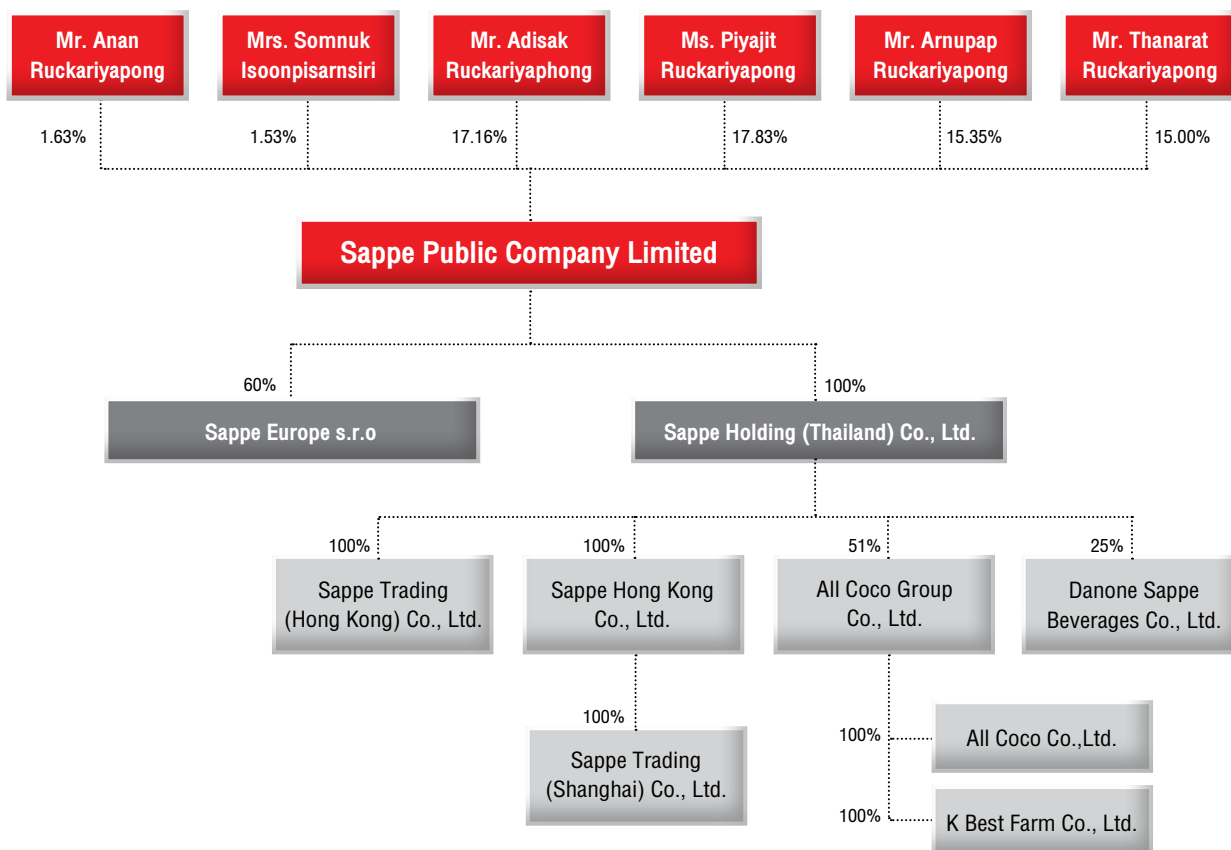
Launched and distributed a fruit-flavored vitamin water under the “B'lue” brand with the new flavor, “Magic Mojito”, offering perfect combination of taste, sweet and sour, the refreshment feeling and high vitamin.



Dare to dream. Play to win.

Company Information

Shareholding Structure as of 31 December 2020



The Company has determined the control and the supervision of the operations of subsidiaries and associates. The policies ensure that the management and operations of these subsidiaries and associates are controllable as if they were an internal unit. Moreover, measures have been devised to monitor the management of the subsidiaries and associates to protect the Company's investments.

Relationship with the Major Shareholder's Business Sectors

The Ruckariyapongs is the major shareholder of the Company with a 68.50% share of the total paid-in shares. Currently, the Company is the only key business of the family. The list of relationships with other businesses of the major shareholder of the Company is available in Part 2, Item 12 of the connected transactions in the Annual Registration Statement (Form 56-1).

Company	: Sappe Public Company Limited
Nature of Business Operations	: Manufacturer and distributor of healthy food and beverages
Office	: 1) Head Office 9/3 Bangchan Industrial Estate, Soi Serithai 56, Serithai Road, Kannayao, Bangkok 2) Branch Office and Factory 8 Moo 7 Tambon Puech-udom, Amphoe Lamlukka, Prathumthani 3) Branch Office 71 S.P. Arcade Building, Ramkhamhaeng Road, Huamark, Bangkok, Bangkok
Registration No.	: 0107556000591
Website	: www.sappe.com
Telephone	: 0-2319-4949
Fax	: 0-2319-7337
Email	: ir@sappe.com
Registered Capital	: 308,438,080 Baht, divided into 308,438,080 Common shares at 1 Baht per share
Paid-up Capital	: 304,378,080 Baht, divided into 304,378,080 Common shares at 1 Baht per share

Subsidiaries and Associates

As of 31 December 2020, the Company has 2 Direct Subsidiaries, 6 Indirect Subsidiaries and 1 Associated Company as follows:

Direct Subsidiaries

1) Sappe Europe s.r.o : A registered company in Slovakia, operating business in distributing healthy beverages in European countries

Office	: Golánova 3140/5 Bratislava 821 03
Paid-up Capital	: 6,639 EURO (equivalent to 0.27 million Baht)
Type of share	: Common share
% shareholding	: 60

2) Sappe Holding (Thailand) Company Limited : A registered company in Thailand, operating business in providing management services to group of companies

Office	: 8 Moo 7 Tambon Puech-udom, Amphoe Lamlukka, Pathumthani
Registered Capital	: 290,000,000 Baht
Paid-up Capital	: 290,000,000 Baht (or 100 percent of registered capital)
Price per share	: 10 Baht
Type of share	: Common share
% shareholding	: 100

Indirect Subsidiaries

1) Sappe Trading (Hong Kong) Company Limited: A registered company in Hong Kong, operating business in importing, exporting and trading

Office	: RM 907, 9/F KENBO COMM BLDG, 335-339 QUEEN'S RD, WEST, HK
Registered Capital	: 100,000 Hong Kong Dollar (equivalent to 0.45 million Baht)
Paid-up Capital	: 100,000 Hong Kong Dollar (100% of registered capital)
Price per share	: 10 Hong Kong Dollar
Type of share	: Common share
% shareholding	: 100% shares held by Sappe Holding (Thailand) Co., Ltd.

2) Sappe Hong Kong Company Limited: A registered company in Hong Kong, operating business in providing management services to group of companies

Office : RM 907, 9/F KENBO COMM BLDG, 335-339 QUEEN'S RD, WEST, HK
Registered Capital : 3,000,000 Hong Kong Dollar (equivalent to 13.98 million Baht)
Paid-up Capital : 3,000,000 Hong Kong Dollar (100% of registered capital)
Price per share : 10 Hong Kong Dollar
Type of share : Common share
% shareholding : 100% shares held by Sappe Holding (Thailand) Co., Ltd.

3) Sappe Trading (Shanghai) Company Limited: A registered company in China, operating business in distributing healthy beverages

Office : Room 806,8/F, Building#2, 55 Meisheng Road, China (Shanghai)
Registered Capital : 2,000,000 RMB (equivalent to 10.17 million Baht)
Paid-up Capital : Nil
% shareholding : 100% shares held by Sappe Holding (Thailand) Co., Ltd.

4) All Coco Group Company Limited : A registered company in Thailand, operating business in manufacturing and distributing coconut-based products under “ALL COCO” trademark

Office : 139/6 Moo 2, Tambon Laksam, Amphoe Baanpoew, Samut Sakorn
Registered Capital : 168,000,000 Baht
Paid-up Capital : 168,000,000 Baht (100% of registered capital)
Price per share : 100 Baht
Type of share : Common share
% shareholding : 51% shares held by Sappe Holding (Thailand) Co., Ltd.

5) All Coco Company Limited : A registered company in Thailand, operating business in distributing coconut-based products under “ALL COCO” trademark

Office : 98/38 Moo 6, Tambon Bang Mueng Mai, Amphoe Mueng, Samut Prakarn
Registered Capital : 15,000,000 Baht
Paid-up Capital : 15,000,000 Baht (100% of registered capital)
Price per share : 100 Baht
Type of share : Common share
% shareholding : 100% shares held by All Coco Group Co., Ltd.

6) K Best Farm Company Limited : A registered company in Thailand, operating business in sourcing and distributing fresh coconut in Thailand

Office : 98/38 Moo 6, Tambon Bang Mueng Mai, Amphoe Mueng, Samut Prakarn
Registered Capital : 2,430,000 Baht
Paid-up Capital : 2,430,000 Baht (100% of registered capital)
Price per share : 100 Baht
Type of share : Common share
% shareholding : 100% shares held by All Coco Group Co., Ltd.

Affiliates

1) Danone Sappe Beverages Company Limited: A registered company in Thailand, operating business in developing, manufacturing, marketing and distribution healthy beverages in Thailand

Office : 71 S.P. Arcade Building, Ramkhamhaeng Road, Huamark, Bangkok
Registered Capital : 200,000,000 Baht
Paid-up Capital : 200,000,000 Baht (100% of registered capital)
Price per share : 100 Baht
Type of share : Common share
% shareholding : 25% shares held by Sappe Holding (Thailand) Co., Ltd.

References

1) Company Registrar

Thailand Securities Depository Company Limited

93 The Stock Exchange of Thailand Building, Rajadapisek Road, Dindaeng, Dindaeng, Bangkok

Telephone 02-009-9000

Fax 02-009-9991

Website <http://www.set.or.th/tsd>

2) Auditor

- | | |
|-----------------------------------|---------------------|
| 1. Ms. Sureerat Thon-Arunsaeng | CPA No. 4409 and/or |
| 2. Mr. Bundit Tungpakorn | CPA No. 8509 and/or |
| 3. Ms. Marisa Tharathornbhanpakul | CPA No. 5752 |

KPMG Phoomchai Audit Ltd.

Empire Tower 1, 50th Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok

Telephone: 02-677-2000

Website: <http://www.kpmg.com/th>

3) Coordinators

1. Company Secretary: Ms. Sutatip Chantharangsee
Tel: 02-319-4949 ext. 9709
E-mail: comsec@sappe.com
2. Company Secretary Assistant: Ms. Pimolmas Chaveworn
Tel: 02-319-4949 ext. 2503
E-mail: comsec@sappe.com
3. Investor Relations: Mr. Chinnavit Lertbannaphong
Tel: 02-319-4949 ext. 1805
E-mail: comsec@sappe.com

Other Information

-Nil-

Shareholding Structure

As of 31 December 2020, the Company's Registered Capital is at 308,438,080 Baht and Paid-up Capital at 304,378,080 Baht, divided into 304,378,080 shares at 1 Baht per share.

List of major shareholders listed in the share register of shareholders as of 31 December 2020 are summarized as follows:

No.	Name	No. of shares	%
1	Ms. Piyajit Ruckariyapong	54,260,223	17.83
2	Mr. Adisak Ruckariyaphong	52,239,257	17.16
3	Mr. Arnupap Ruckariyapong	46,736,574	15.35
4	Mr. Thanarat Ruckariyapong	45,649,642	15.00
5	UBS AG SINGAPORE BRANCH by Mr. Arnupap Ruckariyapong and Mr. Thanarat Ruckariyapong	20,000,000	6.57
6	DBS BANK LTD FOR CLIENT AC SG0900121752	11,030,000	3.62
7	Mr. Anan Ruckariyapong	4,950,392	1.63
8	THAI NVDR Co., Ltd.	4,724,361	1.55
9	Mrs. Somnuk Isoonpisansiri	4,665,632	1.53
10	Social Security Office d by UOB Asset Management	2,625,700	0.86
Total		246,881,781	81.10

Major Shareholders Whose Actions Significantly Influence the Company's Management Policies or Operations

Due to the fact that the Ruckariyapongs is the major shareholder of the Company, its role significantly influences the Company's management and operational policies through the approval of the Board of Directors at the meeting. However, on December 31, 2020, there were 4 major shareholders holding 4 positions out of 10 company directors, namely Ms. Piyajit Ruckariyapong, Mr. Adisak Ruckariyaphong, Mr. Arnupap Ruckariyapong, and Mr. Anan Ruckariyapong.

Report on the Shareholding of Directors

No.	Name	Position	% of Shareholding			Remark
			1 January 2020	Increase (Decrease)	31 December 2020	
1.	Mr. Natee Onin	Chairman	0.00	0.00	0.00	Mrs. Yata Onin (spouse) holds 0.00% of shares as of 31 December 2020, comparing to the previous year at 0.03%
2.	Mr. Adisak Ruckariphong	Vice Chairman and Chairman of Executive Committee	17.16	0.00	17.16	
3.	Mr. Anan Ruckariyapong	Director and President	1.63	0.00	1.63	
4.	Ms. Piyajit Ruckariyapong	Director and Chief Executive Officer	17.83	0.00	17.83	Entitled to receive Company's shares regarding SAPPE-WA2 program
5.	Mr. Arnupap Ruckariyapong	Director and Chief Operating Officer	15.35	0.00	15.35	Entitled to receive Company's shares regarding SAPPE-WA2 program
6.	Mrs. Niratchara Siriamphunkul	Independent Director	0.00	0.00	0.00	
7.	Mr. Thana Thienachariya	Independent Director	0.00	0.00	0.00	
8.	Mr. Padungdej Indralak	Independent Director and Chairman of Audit Committee	0.00	0.00	0.00	
9.	Ms. Kunnigar Triyangkulsri	Independent Director and Audit Committee	0.02	0.00	0.02	
10.	Mr. Surath Pralongsilp	Independent Director and Audit Committee	0.00	0.00	0.00	
11.	Ms. Sutatip Chantharangsee	Company Secretary and AVP-New Business Partnerships	0.002	(0.002)	0.00	

Dividend Payment Policy

With the same guidelines, the Company and subsidiaries have established the dividend payment policy of the said subsidiaries as follows:

The Company has established the dividend payment policy for the shareholders not less than 40% of the net profit, from the separate financial statements, after corporate income tax and all legal reserves. However, each dividend payment may be subject to change due to various factors to maximize benefits of shareholders, such as performance, financial status, liquidity, cash flow, working capital requirement, investment plans, terms and conditions in various contracts the Company is bound, legal restrictions, other needs and suitability in the future as the Board of Directors may deem suitable. The dividend payment must not entail any significant impact on the Company's normal operations. The Company proposes a resolution of the dividend payment the Board of Directors, and an approval will be sought at the shareholders' meeting, except the interim dividend payment which the Board of Directors has the authority to approve when it agrees that the Company had sufficient profits to do so, and then the Board reports a resolution at the next shareholders' meeting.

Nature of Business Operations

Throughout 2020, Sappe the Home of Innovators has continued to create innovation through the delivery of innovative health and beauty products which remain unique and different in concept. The innovations cultivated and built in the organization have been growing and continuously contributing to benefits in other areas in terms of concrete cost-saving production, ideas development equipping people with talents to compete in an international arena. Also, having a strong corporate culture has significantly reduced the turnover rate of employees, creating teamwork ready to work together with joy, sparking the endless creative ideas.

Despite crisis of the COVID-19 pandemic, the company has continued to develop and together accelerate new product launches to meet the needs of consumers who crave for healthy beverages to boost their immunities, such as "Gumi Gumi Jelly" and "B'lue Vitamin Jelly" with high vitamin C to boost immunity and to fight free radicals, which obtained positive feedback from consumers. Modifying the format and size of the product to be distributed at affordable price was also a key strategy, reflecting our attention to the consumers, so they could access quality products during the economic slowdown. With these executions, the impact of this crisis toward the company's was minimized at manageable level.

In addition to the adjustment of product development and launch strategy to maintain sales growth, the production process and quality controls were also carried out with great care. Cooperation in compliance with government measures was strictly managed to build consumer confidence as well as to assist and facilitate employees to perform duties at their place of residence to work smoothly and efficiently as employees are the key to drive the organization forward steadily, helping to drive the national economy further.

Every step of success is driven by sincerity, paying attention to work toward the best quality, creativity, joy in thinking and doing, and non-stop development to pass on the best to all stakeholders; executives, employees, shareholders, customers, business partners, communities and society, to achieve the Company's medium and long-term objectives.

Products and Services

In 2020, the Company has 21 products brands, under 5 categories, distributed in both domestic and overseas markets as follows:

1. Functional Beverage

- **Sappe Beauti Drink:** Sappe is a pioneer and a leader of health and beauty drink for women, possessing unique quality, good taste

with no sugar and low calories for women's health and beauty from head to toe.

- **Sappe Beauti Shot:** A concentrated health & beauty drink.
- **St. Anna:** A concentrated health & beauty drink with affordable price
- **B'lue:** A fruit-flavored vitamin water, containing vitamin B3, B6, and B12, developed by Danone Sappe Beverages Co., Ltd. This product serves new generation's lifestyle as a new alternative of water. The product comes in a remarkable and modern bottle design with awesome taste.

2. Fruit Juice/Juice Drink

- **Sappe Aloe Vera:** Fruit juice mixed with Aloe Vera flesh in different flavors. Due to its big size of Aloe Vera flesh, the product has become a popular beverage for a long time.
- **Sappe For One Day:** 100% concentrated ready-to-drink vegetable and fruit juice with high nutrition for health-conscious people with fast paced lifestyle.
- **Mogu Mogu:** The first fruit juice with Nada de coco (or "coconut jelly") in Thailand. The origin of "chewable drinks" in the global market and popular in more than 90 countries worldwide
- **Mogu Mogu Ice Burst:** The world's first innovation of fruit juice with Nada de coco (or "coconut jelly") in snowflake ice cream format, available in 2 flavors, Lychee and Strawberry. The product can be stored at ambient temperature and becomes snowflake ice cream when storing in the freezer, offering the same texture as Korean Bingsu for consumers' refreshment.
- **Gumi Gumi by Mogu Mogu:** Fruit Juice with Nada de coco distributed only in Thailand with export quality.
- **All Coco:** Aromatic (or "Nam Hom") Coconut Water from the best planting area in Ban Phaeo District, Samut Prakan Province.

3. Functional Powder

- **Preaw Coffee and SlimFit Coffee:** No.1 best-selling product. Coffee powder for weight control purpose and for better health and beauty, available in various formulas.
- **Preaw Chlorophyll:** Chlorophyll powder imported from Japan with a detoxification quality
- **Sappe Beauti Powder:** A dietary supplement in powder format, which can be mixed with other drinks or sprinkled on food and drinks.

4. Other RTD Segment

- **Preaw Coffee:** Ready-to-drink canned coffee for weight control with a good taste and 0% Cholesterol for health and beauty.

5. Healthier Snack

- **Beauti Jelly:** An innovative product in a form of jelly for health and beauty purpose.
- **ZeaMax:** A crispy grilled fish snack with 90% sea fish meat, full of Omega 3 6 9, processed by grilling and baking for a crispy texture without fats.
- **Chimdii:** A unique snack made from shrimp chins, full of nutrients and calcium. In 2020, new innovative product, 0% cholesterol and 0% fat crispy sweet corn processed by vacuum frying method, has also been launched to the market for all customer groups.
- **Maxtive:** An innovative product in jelly format for men who want good health to build up their self-confidences. Later on, new innovative product in energy gel format has been launched to fitness lover market, providing nutrients, BCAA, Vitamin B3 and B6 helping stimulate nerve function and reduce symptoms of muscle spasms
- **DeNosh:** An organic soy pudding, an innovative product full of nutrients from black sesame and chia seeds, for convenience consumption at anytime, anywhere.
- **Gumi Gumi Jelly:** Fruit Jelly snack mixed with Carageenan and Konjac under “Gumi Gumi” Brand, helping to fill stomach and providing high vitamin to boost immunity, produce collagen, nourish brain and nervous system, and reduce stress, was launched in 2 flavors, Lychee and Grape
- **Preaw Pudding:** The first brand in Thailand for ready to eat Konjac pudding, launched in 2 flavors, Taiwanese Milk Tea and Macchiato Coffee with only 40 kilocalories. This product has no sugar content, a new alternative for health-conscious consumers who can enjoy every time without guilt.

The Company and its subsidiaries' sales totaled to 2,826.9 million baht, 3,299.48 million baht, and 3,268.1 million baht in 2018, 2019, and 2020 respectively. Classification of sales into product categories are as follows.

Product Category	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Functional Beverage	692.3	21.2	547.6	16.6	327.2	11.6
2. Fruit Juice/Juice Drink	2,082.9	63.7	2,265.0	68.6	2,035.5	72.0
3. Functional Powder	247.5	7.6	296.9	9.0	307.7	10.9
4. Other Ready-to-Drink (RTD)	25.5	0.8	31.5	1.0	35.6	1.3
5. Healthier snack	219.8	6.7	158.4	4.8	120.9	4.3

Sales	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Total	3,268.1	100.0	3,299.5	100.0	2,826.9	100.0
Domestic	1,481.3	45.3	1,377.8	42	944.7	33.4
Overseas	1,786.7	54.7	1,921.7	58	1,882.2	66.6

In 2020, the Company's sales proportion between domestic sales and overseas sales was 45:55.

The domestic distribution channel consists of 4 main channels:

- 1) Modern Trade, such as convenience stores, supermarkets and hypermarkets.
- 2) Traditional Trade, through distributors to traditional wholesaling / retailing stores.
- 3) Out of Home, through special channels e.g. hotels, restaurants, cafés, airports, golf courses, gyms, universities, food courts, health stores, and sport stores etc.
- 4) E-Commerce, through Social Media Platform such as Facebook Fanpage, Sappe LINE Official Account (line@sappe) or Popular Market Place Platform such as Shoppe and Lazada

Overseas distribution channels include 1) Subsidiary, 2) Importer and 3) Local distributors in 94 countries in Asia, South East Asia, Middle East, Europe, Africa, North America and South America. In 2020, the International sales was 55% of total sales revenue, breaking down into 34% Asian countries, 12% European and American countries and 7% Middle East and other countries.

Marketing and competitions

2020 was a very challenging year for both domestic and international growth, affected by economic slowdown and disruption from lockdown measures to prevent the spread of COVID-19 virus worldwide.

Overall, the domestic market is highly competitive from many new products introduced to the market. However, the growth of the functional drink category was remarkable as it was able to meet the consumers' needs during Covid-19 situation, together with a well-planned production adapted to meet the market needs in a timely manner. As a result, as of December 2020, the company was able to gain 45.8% market share of the functional drink category (reference information from The Nielsen Company (Thailand) Limited).

Another product category that has shown tremendous growth in consumer interest and have new players entering to the market for year 2020 was Vitamin Water. The Company's "B'lue" brand has still maintained its strong presence in this category offering a wide range of flavors and scents, serving the needs of consumers who desire to reduce sugar consumption but still crave for tasty drink. B'lue has always been developing new product with variety of scents and flavors plus adding consumers' preferred ingredients such as vitamin C.

The company has continued to stand firm and drive positive business growth through in-depth research of market research and consumer needs to innovate and develop products to meet the needs and provide new alternatives to access more complex and diverse consumer groups, especially during the covid-19 pandemic that consumers are more cautious and pay higher attention to their consumptions. These also include launches of new products to meet all consumer groups as well as more penetration of products in traditional trade market.

Restructure of Sales function has also been implemented to strengthen and balance domestic distribution channels, to expand consumer base to new potential markets in different countries, as well as to create proper marketing communication campaigns to promote sales activities which truly match consumers' needs. The company also continuously pays attention to different sales channels through new activities such as Brand Collaboration.

Summary of Marketing and Competition in each category

1. Functional Beverage

1.1 *Sappe Beauti Drink*

Sappe Beauti Drink was launched in 2006 with a catchy slogan, "Just Drink and Be Pretty", catching Thai market trend, focusing on beauty. This product became a phenomenal success and created a new beverage category in Thailand, Functional Drink.

In 2020, the 14th anniversary of Sappe Beauti Drink, the Company still committed to its consumers to develop product for modern and beauty conscious women but also focused more on healthy trend. Therefore, Sappe Beauti Drink changed its concept with a new slogan, "Beauty is not a coincidence", as believing that there are many techniques, tricks and tips behind women's beauty and good health. Sappe Beauti Drink has repositioned itself as a product supporting women's beauty and good health by starting with product's reformulation to decrease calories and sugar level, plus new formulas launch each year to emphasize its position as a functional drink leader.

1.2 *B'lue*

Another milestone of the Company in 2019 was a collaboration with Danone, the world leading food & beverage company, with the objective to inspire the sustainable consumption of healthy foods and beverages. Both companies co-invested to establish a joint venture company, Danone Sappe Beverages Company Limited, to develop and manufacture a fruit-flavored vitamin water under "B'lue" brand and launched to the market at the same time as a competitor.

Thanks to its outstanding and unique packaging design, comparing to those of competitors in the same category, plus refreshing flavors matching Thai consumers' taste through diverse marketing plans, B'lue has immediately been recognized as a leader in the Water Plus segment and become the Company's products on which consumers should keep an eye from now on.

2. Fruit Juice/Juice Drink Segment

2.1 *Sappe Aloe Vera*

This fruit juice mixed with Aloe Vera bits has enjoyed success in the world's market due to its quality that served consumers' needs towards global health trend. As a selling point for foreign consumers who prefer plant-based drinks, big sized Aloe Vera bits were carefully selected through reliable sources in Thailand. Sappe Aloe Vera drink has become one of the most popular beverage products which being paid close attention by the Company for consumers base expansion in International market.

2.2 Mogu Mogu and Gumi Gumi by Mogu Mogu

With its good taste and a wide range of flavors, as well as quality standard, Mogu Mogu has become one of Thailand's leading juice products with Nata de coco exported to 91 countries worldwide.

In 2020, Mogu Mogu still maintained its stable growth of sales in the international market, by upholding its leader position in juice with Nata de coco market and maintaining its market shares in Asia, Europe and North America. There were also new markets where Mogu Mogu was able to build its brand awareness and grow bigger, leading to intense marketing activities for this year and next year.

The growing popularity and readiness of distribution channels globally are strong foundation making Mogu Mogu to be accepted as the international brand.

Gumi Gumi by Mogu Mogu, juice with Nata de coco launched in 2016 and available only in Thailand, is the product with unique flavors, high quality of raw materials and export quality guarantee

2.3 All Coco

Another quality brand that helps strengthening Sappe's juice drink category. Comparing to other coconut products, All Coco's products are unique with supreme quality control, starting from soil preparation for coconut growing to the production process preserving the product's taste and nutrients, helping to promote Thai coconut consumption to Thai people and Thai coconut products export to the world's market via the Company's strong distribution channels.

3. Functional Powder and Other RTD Segments

3.1 Preaw Coffee

A brand created and developed to satisfy the needs of body shape-conscious consumers. With recognition in terms of quality and at the same time serving consumers the best coffee experience, therefore, this year we have delivered our health-conscious coffee drinkers a newer and superior drinking experience by using of Microsite technology or a shaker plus combining with the "Preaw Shake" campaign to introduce new way of Preaw drinking while maintaining the same concept as delicious and slim coffee product.

4. Healthier Snack

4.1 Sappe Beauti Jelly

A functional jelly product under "Sappe Beauti Jelly" brand developed for health and beauty purpose and at the same time, focused on innovation to create varieties of choice for consumers. In addition, the product's packaging format is also well known and popular in overseas market. Therefore, it is confident that this product will bring the functional beverage market to life as no players in the same category has launched the similar product.

4.2 ZEAMax

A grilled fish snack under "ZEAMax" brand was advertised on social media and became viral because of its catchy content to communicate the benefits of fish consumption with creativity by focusing on product's selling point, A snack made of 90% sea fish meat, grilled and baked until fatless crispy snack is ready-to-eat. The product is well popular among health-conscious consumers and snack lovers, especially the group of young and working women.

4.3 Chimdii

The Company strengthens its healthier snack category with an introduction of crispy shrimp chin snack under "Chimdii" brand, distributed only to export market via existing strong distribution channels. The product's selling point was communicated as a high calcium shrimp chins snack.

4.4 Maxtixe

Due to a success of Sappe Beauti Jelly for female consumers, the Company has developed and launched a new product with the same function by targeting male consumers who love taking care of themselves.

4.5 DeNosh

The first organic soybean pudding with high nutrients from chia seeds and black sesame in a jelly format, developed for new generations and health-conscious consumers.

Type of customers and target groups

The Company's target groups are varied, depending on each product; all of its products cover all target groups, regardless the genders, ages, occupations, interests, lifestyles and level of incomes as listed below:

Products	Target Customers
Sappe Beuti Drink	Health and beauty conscious women
Sappe Beuti Shot	Health and beauty conscious women who want highly concentrated product
Sappe Beuti Powder	Health and beauty conscious women who want a product that can be consumed with foods or beverages of their choice.
St. Anna	Health and beauty conscious women who want a product with affordable price
B'lue	Health conscious teenagers and young-at-heart working people who seek for extraordinary things that match their lifestyles
All Coco	Health conscious consumers who seek for the best aromatic coconut products for their preferences regarding flavors, nutrients and social images.
Sappe For One Day	Health conscious consumers of all ages and genders
Sappe Aloe Vera Drink	New generation of all genders who seek for something new and fun with a refreshing and tasty product and Aloe Vera pulp.
Preaw Coffee	Ready-mix instant coffee powder for health and beauty conscious women
Preaw Coffee – Canned	Ready-to-drink aromatic and tasty canned coffee with no sugar and cholesterol for health and beauty conscious women
Preaw Pudding	New generation, both teenagers and working age, who enjoy snacks with health-conscious formula
Preaw Chlorophyll	Ready-mix chlorophyll powder imported from Japan for consumers of all ages and genders who care for their health.
SlimFit Coffee	Ready-mix instant coffee powder with affordable price for health and beauty conscious women.
Sappe Beuti Jelly	Jelly product for young people of all ages and genders who want to take good care of themselves.
ZEAMax	Teenagers and working people who like snacks but are concerned of their health.
Chimdii	Teenagers and working people who like unique snacks with high calcium nutrient.
Maxtive	Men who take care of themselves to boost their self-confidence.
DeNosh	Health-conscious teenagers and working people
Mogu Mogu Ice	Consumers who is fond of sweets, ice cream, and Korean Bingsu dessert and passionate about Korean-style products
Gumi Gumi Jelly	New generations from school ages to working ages, who is fond of snacks with pleasant taste, refreshment, low calories while filling stomach, together with benefits of vitamin at an affordable price

• Selling and distribution channels

In 2020, the Company's products were distributed domestically and internationally in more than 90 countries worldwide, with 45% domestic and 55% international sales proportion. The Company's products were distributed to wholesalers, distributors, importers, retailers and retail stores in various channels. The Company's domestic and international sales team consists of more than 30 selling experienced members to contact and coordinate with different distribution channels for efficient products distribution to consumers.

Regarding domestic sales, the Company has managed its own marketing budget to conduct marketing activities through various channels to directly access to consumers efficiently. For international sales, the Company and distributors have planned the marketing activities together.

• Domestic distribution channels

In 2020, the domestic beverage business was still in a highly competitive environment, coupled with adverse effect of the COVID-19 epidemic, key pressure making the business operations more even challenging than the past year. However, the company has continued developing and introducing new products to the market through four main domestic sales channels as follows:

1) Modern Trade. A direct sale to various modern trades, namely convenience stores such as 7-11, Family Mart, Lawson108 and Jiffy, etc., hypermarkets, supermarkets such as Tesco Lotus, Big C supermarket, Tops, Max Value, and The Mall, etc., Cash & Carry or Makro and stores located in gas stations such as Susco and PTT, etc. The Company will distribute the products to these customers' distribution centers, which will be then distributed to their outlets nationwide.

In addition, the company has given importance to the product visibility at stores by placing the products on regular shelves classified by product group, and classified according to the type of shelf, such as a freezer placing All Coco 100% Pure NAM HOM coconut water.

2) Traditional Trade. A distribution to retail stores nationwide via the Company's distributors. In 2020, the Company has increased the types of distributors to three as follows:

2.1) National Distributor: 1 distributor in total, external legal entities with no connection with the Company. These distributors act as wholesalers, distributing the Company's products to retail shops nationwide.

2.2) Local Distributors: In charge of specific areas assigned by the Company for higher coverage to increase frequency of stores visit in the strategic areas. In 2020, the Company has 9 local distributors

and is still seeking for business opportunities with experienced distributors in cold-chained logistic segment to support Company's chilled products business further from the previous year.

2.3) Specialty stores: with the Company's employees as salespersons to sell products via beauty shops, schools, large wholesalers and their outlets and automatic vending machines

3) Out of Home. In 2020, this channel was affected by the COVID-19 pandemic, especially at the airports and restaurants. However, the company still has positive growth, compared to 2019, from the Industrial channel.

In the fourth quarter of this year, sales, marketing, and product development teams have collaborated with the leading companies in the restaurant (You & I Shabu) and beverage (The Coffee Club) businesses to create a new menu and jointly promote to consumers through Brand Collaborations to boost brand awareness of All Coco products.

4) E-Commerce. Due to change of consumer behavior, the Company has expanded its distribution channel to online channel via various platforms, including Official LINE@, Lazada and Shopee, to directly access to consumers, increasing selling opportunities.

In 2020, these channels have grown more than twice, compared to the previous year, and this year, another online channel has been established through the Facebook Fanpage of Preaw Brand, which has been well perceived by Preaw customers.

Furthermore, marketing activities have been conducted at popular locations to the target groups to promote Company's products by offering free trial and samples or special price to create consumers' direct experiences and become regular customers.

• International distribution channels

In the year 2020, the export business has been challenged in due to the COVID-19 pandemic in China, where it is the center of shipping containers and shipping to many destinations globally, leading to a decrease in the turnover of containers and the volume of vessels used for import and export activities. In addition, the ongoing outbreak in various regions around the world resulted in country lockdown. Wholesalers and retailers are restricted to limit business operation hours, directly affecting the business of importers or distributors in each country. However, our business partners, who have been doing business together for a long time and have confidence in the Company's products, gave good cooperation and supports in terms of sales promotion and product shortage management to prevent sales opportunities loss in case that any country recovers from such situation.

In addition to **Mogu Mogu** product, in 2020 the Company has expanded to distribute products under other brands such as **Sappe Aloe Vera**, **Sappe Beauti Jelly**, **ZEAMax**, **Chimdii**, and products of its subsidiaries, **All Coco** and **B'lue**, to penetrate markets in various countries. For a subsidiary in Europe, SAPPE Europe s.r.o., it still focuses on distribution coverage expansion of Sappe Aloe Vera products throughout Europe.

Competitive Strategies

The Company has established both short-term and long-term strategies to cope with the changes of market conditions and consumers' needs. These strategies are planned and cooperated by all functions including sales, production and supporting function together with continuously improving the production process to develop and manufacture tasty and high-quality products for health and beauty conscious consumers.

In 2020, the company has expanded the products under the fruit juice category (with and without pulps), Mogu Mogu Ice Burst, or non-melting ice cream, the world's first innovation for fruit juice mixed with coconut jelly in the format of snowflake ice cream. This product offers exotic and delicious taste, available in 2 flavors, Lychee and Strawberry, in a ready-to-eat package. This is an ice cream that can be stored at ambient temperature, helping to save costs in terms of product shelf-life retention and product distribution. When frozen, it becomes a snowflake ice cream with the similar texture of Korean bingsu snowflakes offering consumers deliciousness, refreshment, and enjoyment.

To create a friendly work environment for both employees and outsiders, the Company continues develop its organization and people to be happy with their works through active learning in R&D, production, logistic and overall environment to manufacture products with quality and varieties for all groups of consumers and for any occasions. This also includes the building of trust and brand loyalty and values creation to products with market competition strategies as follows:

• From THAI brand to GLOBAL brand

All executives and working teams across the organization have thoroughly together set strategic direction to develop Company's existing SAPPE brand recognition to become a global brand. To achieve this, all employees, recognized as Company's brand ambassadors, have been provided trainings by executives and well-known instructors and communicated for more understanding towards Company's business direction. Not only is this a short-term goal but also it is Company's DNA created through cooperation of all members which eventually turns into long lasting organizational culture.

For international market, the Company has set different strategy for stronger brand positioning in each country regarding readiness considered from size, growth rate, product coverage in different distribution channels, characteristic of the partners, competition and consumers' needs. Brand strategy has been deployed in the form of 360-degree branding activities through Above The Line (ATL) marketing campaigns, such as advertising on print media, radio, TV, or online channels, and Below The Line (BTL) marketing campaigns, such as public relation events or sponsorships. The integration of these regional branding activities would make SAPPE brand worth investing with clearer communication as a global brand.

• Customer Relationship Management

The Company has established good relationships with all partners by operating business basing on Win-Win cooperation, resulting in business expansion to more than 90 countries worldwide. The Company is determined to improve its relationships by considering partners as brand ambassadors who take a significant role to co-promote brand with the Company

Following the same direction by the Company and its partners has been considered the critical factor, driving mutual success for all parties. The Company's responsibility is to support and advise its partners about brand building through knowledge exchanges to co-develop the perfect marketing mix. The Company also created partnership platform for partner development and selection, leading to business expansion and brand positioning in the global market.

Moreover, strong relationships with business partners have also been established by assisting in analysis of the past operational performances, evaluation of marketing activities to provide useful information for future planning, providing dedicated teams to advise on stock management, procurement management and financial management for smooth cooperation between both parties.

• Good product development by focusing on consumers' needs

As consumer satisfaction is the Company's key focus, high quality products have been continuously developed to serve consumers' needs. This is our strength since the beginning of the company establishment, bringing us a more than decade success.

The distribution of high quality and health beneficial products with reasonable prices for different target consumer groups has been continued to win consumers satisfaction. In addition, the Company has constantly developed new products through marketing research focusing on customers insight in each country for in-depth understanding in order to win local customers with innovative products, packages, and marketing activities.

Regarding new products development for new target consumer groups which will lead to business expansion and sustainability, market and customer trends and new local & international food and beverage production technologies have been studied to deliver suitable products while simultaneously maintaining Company's unique characteristic to offer "Superior choices" of products to its customers, the Company's key factor in doing business as always.

Procurement of Goods and Services

Manufacturing Facility

At present, the Company owns 1 manufacturing facility, "Khleng 13 factory", located at 8 village number 7, Phuet Udom, Lam Luk Ka, Pathum Thani with an area of 154 Rais 5 Ngan 82 Sq. Wah, and well-equipped with cutting-edge technology machines and equipment. The factory was constructed in 2010 and commenced operation in 2012.

The Khleng 13 factory consists of 2 manufacturing buildings and 1 warehouse. The first manufacturing building is equipped with 4 production lines, at total maximum capacity of 125,830 tons per year, to produce health and beauty beverage, juice, and fruit-flavored beverage products. The second manufacturing building is equipped with machineries, with total maximum capacity of 2,450 tons per year, to produce instant health and beauty powder products.

In 2020, the company has expanded a new production line of pouch product categories to manufacture products in the new format. In addition, the company has installed additional machines for three sub-production lines to support variety of new products development to align with the Company's future operating plans.

Regarding quality policy, the Khleng 13 factory has acquired the certification of GMP HACCP, ISO9001:2015, ISO14001:2015, HALAL MUI, HALAL CICOS, and KOSHER, and passed the evaluation by external private and public organizations e.g. USFDA, U.S. ARMY and KFSA, etc.

Through cooperation with Danone group, the Company has been assisted and supported in terms of development of Quality and Food safety and Performance Driving System as follows;

- 1) Advice provided regarding production processes, incoming raw material inspection, productions of bottles, packaging and finished goods, systematic products storage and distribution according to international standards
- 2) Training program provided to enhance knowledge and skills for employees in the areas of optimization of water production processes, production processes, quality inspection processes and continually improve the knowledge and capabilities of the operational teams
- 3) Establishment of safety, occupational health, and environment management standards by using Safety 12 Basics as a guideline to define safe operating procedures, including covering the issue of Food Defense effectively
- 4) Being the model in applying Short Interval Management (SIM) system to on-site work to increase work safety, quality, cost/performance management, delivery, motivation, and working environment

In 2020, the COVID-19 pandemic has caused economic fluctuations both domestically and internationally. To prevent the negative impact and at the same time to continue producing quality products as well as to promote work safety, the company gives importance to the Business Continuity Planning (BCP), the management of product purchase orders volatility to align with the production and manpower plans effectively, as well as adding a pandemic emergency management plan to accommodate such situation.

In addition, the company has still focused on reducing production costs, cost management, production optimization, implementation of 5S activities, and improving working environment for employees to work happily in conjunction with the company's business plan.

Production Capacity

The Company's beverage production capacity in 2018, 2019, and 2020 are as follows:

Khlong 13 Factory	2020	2019	2018
Maximum Volume Capacity	129,598	125,830	116,390
Actual Volume	88,790	90,926	84,961
Capacity Utilization Rate	69%	72%	73%

To provide domestic and international markets sufficient supplies, the Company's production is planned in consideration with sales and marketing plans periodically changed by market demand together with inventory level to prevent excess inventory.

Most of the production's workforces are permanent employment, allowing the Company to manage effectively. For peak production season, temporary workforce employment is considered. For the past years, the Company has never encountered workforce shortage.

Raw Materials and Suppliers

Main raw materials of beverage products include concentrates, fruit bits such as Nata de coco, active ingredients such as fiber, collagen, and vitamins, and packages, such as PET bottles and paper cartons. Bottle preforms and PET bottles are produced in the Company's factory by using polyethylene terephthalate as main raw material for production.

Details of raw materials procurement are as follows:

- 1) Juice concentrates are domestically procured via importers.
- 2) Fruit bits, such as Nata de coco, are procured domestically, from the largest supplier in Samut Songkhram and from some small suppliers. This raw material can be supplied all year round and would not be cyclically affected.
- 3) Active ingredients, such as fiber, collagen, and vitamins, are domestically procured via importers.
- 4) PET resin (Polyethylene Terephthalate) used for bottle preforms production is procured domestically and internationally at 70% and 30% respectively. However, the company is aware of global warming situation and will gradually change the label from PVC to PET for natural degradation.

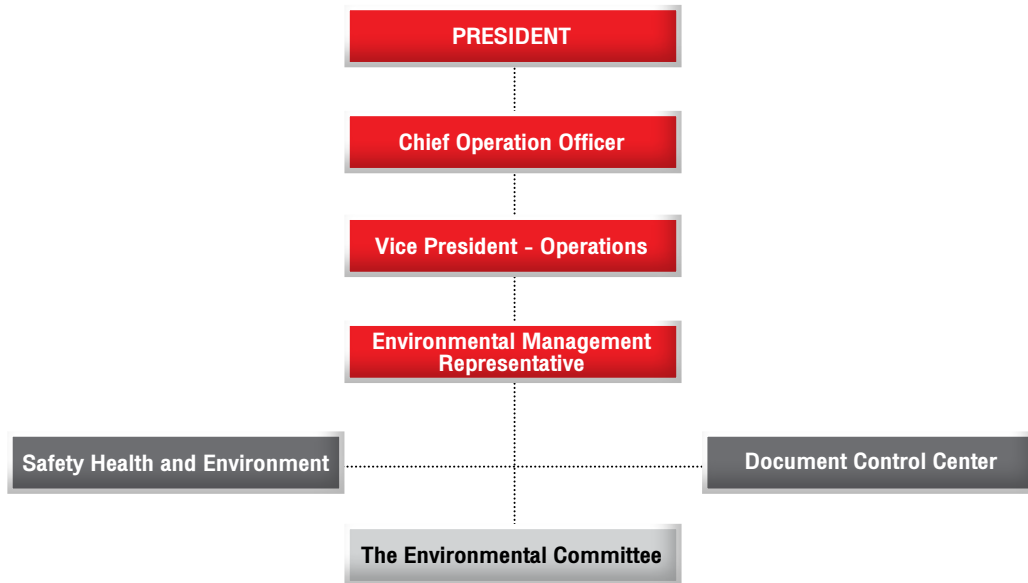
In 2019 and 2020, the Company had no purchase orders with individual supplier greater than 30% of total purchase value. In addition, in 2020, the Company was assisted by Danone's team to advise production cost savings methods and new strategies to improve existing procurement process.

Environmental Impact

The Company has always paid serious attention to the effective production and service and to social and environmental responsibility. The company has implemented an Environmental Management System in accordance with ISO 14001 standard and requires all employees to strictly follow the policy as well as publicizes to the public as follows:

1. Strictly follow the Factory Law and the international environmental standard.
2. Control the release of air pollutants and dust from production process up to the international standard, recycle water for efficient usage in the factory, and prevent all pollutions from business operation causing environmental damages.
3. Prevent the occurrences of all accidents and incidents adversely affecting environment.
4. Save and use energy to highest efficiency and constantly revise the environmental management policy.

For highly effectiveness of business operation, Environment Committee, reporting directly to Mr. Anan Ruckariyapong, the Director and President of the Company, has been established with the main objective to monitor and control the good compliance of ISO 14001 Environment management System. The committee's structure is as follows:



The Company has constantly provided training regarding energy conservation and environmental management to both supervisory employees and newcomers in order to raise awareness and to encourage everybody to implement all knowledges gained for concrete results. A new policy for employees to study plastic recycle has also implemented. In addition, in 2020, the Company paid attention to the usage of electrical energy by investing in the installation of solar rooftop to reduce the usage consumption of electrical energy and the emission of carbon dioxide to the atmosphere.

The Company has also cooperated with government and private sectors in researching on new guidelines and technologies for continuous improvement, including participations in various the activities organized by local government agencies and communities' leaders to promote peaceful co-existence between the manufacturer and the communities nearby.

In 2020, environmental training programs were provided to the employees as follows:

1. Environmental Management Training
2. ISO 14001: 2015 Internal Audit Training

In addition, the assistance provided by Danone group regarding the inspection and recommendations to improve the existing wastewater treatment system has standardized Company's operation to be on par with international standards.

At present, the Company has never been filed any environmental dispute or litigation.

Business Risks

1. Risks posed by a lack of the Company's own land used as a factory location

At present, the Company's manufacturing factory is the Khlong 13 factory, located in Lamlukka district, Pathumthani, with an area of 97 rai, 3 Ngan, 49 Square Wah. The Bangchan office located in the Bang Chan Industrial Estate on Seri Thai road, Kannayao district, Bangkok, with an area of 2 Rai, 1 Ngan, 88.2 Square Wah. Both the Khlong 13 factory and the Bang Chan office are located on lands owned by the group of major shareholders. The Company has leased vacant land / land with buildings from this group with the rental rate in accordance with the market rate basing on the appraisal value of the independent appraiser.

Bang Chan Office previously was the first factory of the Company. At present, all production base has been relocated to the Khlong 13 factory and the old factory was renovated into a product research and development base. One shareholder is the owner of the land with a factory and buildings of which the Company made a lease agreement with. The 3-year lease period starts from 1 October 2013 to 30 September 2016 and can be extended for 3 years at a time. Currently, the agreement has been renewed twice with the current ending period on 30 September 2022.

Klong 13 Factory is the current production base. The land on which this factory is located is co-owned by major shareholders of the Company. The Company has invested in construction of factories and buildings in 2010 and the first production was commenced in April 2012. At present, the Company has entered into the land lease agreement for a period of 20 years, starting from 1 October 2013 to 30 September 2033. After the 3-year period since the beginning of the agreement, the Company has right to purchase the land at the average price of the appraisal value evaluated by two independent appraisers approved by the Securities and Exchange Commission.

Due to market opportunities, spending investment in production expansion was better alternative than the investment in factory's land. Therefore, the Company decided to enter the land lease agreements instead of the lands purchase. Regarding the land lease at the Klong 13 factory, if the Company has excess cash flow in the future, the Company will consider to purchase the land from the group of major shareholders in accordance with the principles presented in the Board of Directors meeting no. 11/2013 on 29 November 2013. The purchase will be proceeded in accordance with

the regulations and rules regarding the connected transactions and will be approved by the Audit Committee, the Board of Directors and / or the shareholders' meeting. Currently, the Company's excess cash flow is prepared for the business expansion to support future growth. The land purchase option is still being under consideration.

However, during the lease period, the Company may expose to a risk in case the Company breaches the agreement resulting in the agreement termination. In this regard, factories and buildings previously invested by the Company will belong to the lessor. The Company will not receive any compensation but records an impairment of the investment in those fixed assets.

According to the agreements, the Company has obligation to pay monthly rental at the amount of 542,136 baht with the increasing rate at 2.0% - 3.0% per year from June 2014 onwards. In 2019, the Company paid monthly rental at the amount of 654,337 baht by using internal cash flow. The Company strictly complies with other conditions stated in the agreements such as maintaining and repairing the factory and buildings to be in good condition until the agreements terminated, paying taxes related to leased property etc. The Company is confident to fully comply with all required conditions and that no occurrence leading to premature termination of the agreements will arise.

In addition, the lessor is the group of the major shareholders holding approximately 68.50% of the shares and is in the Company's management team responsible for the business growth. Therefore, entering the lease agreements will not adversely affect the future production and operations of the Company.

2. Risks posed by competition and business environment

At present, the beverage market is highly competitive due to numerous factors, such as many existing players, entry of new players, substitute products, new product launches, new marketing activities with increasing budgets by competitors, and laws and regulations enacted by government sector etc.

To mitigate the risks, the Company always prepares to address business competition and actively responds to the changing behaviors of consumers by inventing and developing diverse products for various consumer groups, while at the same time creating a strong brand positioning to maximize value and differentiation in the market. This involves not only innovating new beverage products focusing on health & beauty consumption and taste, but also focus on other areas. Examples include new market

penetration by launching new products in the form of healthier snacks, design of attractive packages, creation of value-added & safe products to serve consumers' needs, and sales promotions through marketing activities to reach targeted consumers and to encourage the repurchase as often as possible.

Regarding changes in laws related to consumer products, the sugar-sweetened beverage tax is the major concern stimulating the Company to do in-dept researches to improve products' recipes. In response to this, the Company has prepared to develop new recipes and simultaneously maintaining good taste & nutrients to serve consumers' demands. The studies of changing in consumers' needs have also continued to ensure that the new products' recipes and flavors are acceptable.

During the year 2019-2020, the company started the production and distribution of Fruit flavored vitamin water, under "B'lue" brand, through Danone Sappe Beverages Company Limited (the Company indirectly holds 25% interest). As this product is in high growth category with many newcomers, in the early stage of the subsidiary's establishment, the company has set relatively high selling and marketing budget in order to build brand awareness. In this regard, the company may record a share of loss from investment in this associate at the beginning.

3. Risks posed by prices of raw materials

The major raw materials used in beverages production are granulated sugar or liquid sucrose and Polyethylene Terephthalate (PET) used for PET bottles production. The Company purchases both materials from both domestic and foreign suppliers. Both raw materials are commodity products with price fluctuation in accordance with demand and supply, resulting in higher production cost when the prices increase. For other raw materials such as concentrated fruit juice, coffee powder etc., the purchase orders are relatively small, less than 10% of the total purchase order.

PET: Most of the Company's products are packaged in hot-filled PET bottles, which is the main production cost. Its price fluctuation, in accordance with the world market price and / or the crude oil price, has a direct impact on the Company's production cost. Volatile oil price together with the shutdown of the major US plastic resin manufacturer by the end of 2017 resulted in the decrease of supply, leading to higher plastic resin costs in 2018.

However, in 2019, the plastic resin price was significantly lower due to increasing supply from an acquisition of this major US plastic resin manufacturer by the world leading Petrochemical and Energy group of companies and the weakening US dollars currency.

Granulated Sugar: Produced from sugar cane, an agricultural crop whose production depends on weather conditions, currently impacted by the global warming, and natural disasters. These conditions may adversely affect the supply, making its price higher. However, the Company has purchased this raw material from domestic suppliers with the price set and controlled by the Office of the Cane and Sugar Board, which is infrequently changed. Each year the purchased quantity will be confirmed with the suppliers to make sure of sufficiency, which aligns with the Company's target sales. In 2020, the Company has addition of a major sugar supplier, resulting in lower shortage risk and higher bargaining power.

Coconut: The main raw material of All Coco Group Co., Ltd. (the Company indirectly holds 51% interest). As an agricultural product, each season, the price of coconut will change according to the market price. However, the company has continuously developed coconut-based products such as ready to drink bottled coconut water, processed coconut meat, coconut snowballs, coconut pudding to increase value of coconut and to reduce the risk from price change.

In addition, the Company manages raw materials shortage and price risks by the analysis of price trend together with the assessment of raw material usage for production, enabling the Company to plan the purchase order to prevent the overstock / shortage of raw materials. For some types of raw materials regularly required in large quantity amount, the Company and the suppliers will determine the quantities together and the orders will be placed in advance at agreed prices. This policy prevents price fluctuations and ensures that no shortage arises. The Company also compares prices, quality and other terms and conditions proposed by at least 2 - 3 suppliers.

4. Risks posed by new products development

To receive consumers' positive feedbacks and acceptances from new product launch, high investment, especially in marketing activities such as public relations, advertising, and sales promotion, is usually required. Amongst the competitive environment where many new products are launched by the competitors, the Company may expose to an investment risk if such product launches fail.

The Company is aware of this risk and therefore places emphasis on the process preparation before the launches to mitigate the risk. Starting from research and development process by an independent R&D team to carefully conduct analysis of business opportunities, marketing strategies, product development and design, market and laboratory testing, and new products selection to meet the needs of targeted consumers. Each new product launch, the Company focuses on “newness” which offers differentiation to satisfy consumers. The Company also conducts many tests regarding product’s taste & quality and market while creating launch plan, advertising campaigns and marketing activities to stimulate product trial and repurchase to ensure success of the launch. Moreover, the existing products have been continuously improved through researches and market surveys to serve changing needs of consumers.

5. Risks posed by natural disasters

The 2011 massive flood widely damaged provinces across Thailand. The Bangchan and Klong 13 factories suffered devastation at the frontal zones of the compounds. Similarly, the drought in 2015 left Lamlukka district to be a disaster-stricken area as the water supply station did not work properly. However, the Company managed to cope with these risks and survived both events without experiencing any impact to production capability even though the transportation during the 2011 flood was affected.

Located in the downstream area, the Khlong 13 factory is near floodway as defined in the Master Plan of Water Resources Management of the government. The plan aims to prevent flooding in the country’s main economic areas on the eastern side of the Chao Phraya river. Therefore, a risk of flooding in the factory area is common and property is prone to damage. However, this factory is quite new as it was constructed in 2010. The buildings and locations of machineries and equipment have been designed to be able to stand on elevated floors, 2.20 meters higher than road surfaces, to prevent the flood. The Company also has an insurance for damage caused by natural disasters in case of loss or damage from flooding in an amount of not over 500 million baht per occurrence.

To cope with drought, the Company has built and acquired additional water resources. If water supply station in the area cannot supply water in an emergency situation, the Company is still able to supply enough water for production, for not less than 5 months (increased from 3 months in year 2019), which is deemed as a proper length of time to prevent business interruption.

6. Risks posed by investment in subsidiaries overseas

The Company is currently investing in overseas subsidiaries. For instance, Sappe Europe s.r.o (Sappe Europe), registered in Slovakia, provides toll manufacturing service, sells and markets Sappe beverage products in Europe, in which the Company holds 60% of the shares. The Company owns 3 indirect overseas subsidiaries, namely, (1) Sappe Trading (Hong Kong) Company Limited, registered in Hong Kong, operates business of import and export and distribution of products, (2) Sappe Hong Kong Company Limited, registered in Hong Kong, provides management services; and 3. Sappe Trading (Shanghai) Company Limited, registered in China, operates business of import and export and distribution of products. Sappe Holding (Thailand) Company Limited holds 100% of the shares of all these three subsidiaries. The operation of these overseas entities may be susceptible to numerous risk factors, both internal factors caused by the subsidiaries themselves and external threats e.g. economy, consumers’ behaviors and purchasing power, political stability, law, tax rates and foreign exchange rates in particular countries. If such occurrences adversely affect business operations of the subsidiaries, it may destabilize the Company’s business operations as well.

However, to mitigate the risk, the Company has rolled out a clear investment in subsidiaries and affiliates policy. For the past investments, the Company considered carefully regarding growth opportunities, investment size and relevant risks and has regularly monitored through the reports and the follow-ups of subsidiaries’ operations.

7. Risks posed by volatility in foreign exchange rates

Since the export sales, approximately 55% of total sales in 2020, is mainly in US Dollars while most of raw material cost is in Thai Baht, the Company exposes to the foreign exchange risk, which consequently affects product prices, sales and profit.

To mitigate the risk, foreign exchange rate policy has been established, allowing the Company to enter forward contract, at not exceeding 75% of total foreign currency sales over the next 6 months. Simultaneously, the Company reprices the export products to reflect the volatile foreign exchange rates as well as regularly monitors and updates information and news to support quick decisions making.

8. Risks to securities holders posed by key shareholders with management's sphere of influence

At present, the Ruckariyapongs holds the majority of the Company's shares, accounting for 68.50%. With the said proportion, the family can control nearly all of the resolutions of the shareholders' meeting, which include appointment of directors, agendas requiring the majority of votes, and other topics in need of three-fourths of votes as prescribed by law or the Company's Article of Association. As a result, other shareholders may expose to the risk of inability to secure their votes to counterbalance the agenda proposed by this group of shareholders.

However, to ensure the transparent business operations of the Company and to balance management power, the Company sets up a management structure by having skillful and experienced persons as management team members. Scope of business operations and delegation of authorities to directors and executives are also clearly defined. Five outsiders have been appointed as independent directors out of the total ten directors, in which three of them are the members of Audit Committee, in order to audit, counterbalance the management's decisions, consider, and approve transactions before proposing to the shareholders' meeting. Moreover, the Company defines measures related to transactions conducted with persons who may have conflicts of interest by limiting the voting right of those involved. An internal audit is regularly performed by an external independent professional company, directing to the Audit Committee, to primarily oversee the Company's internal control system to be aligned with the specified system. These are to ensure the transparency to the shareholders and to balance management power in the Company.

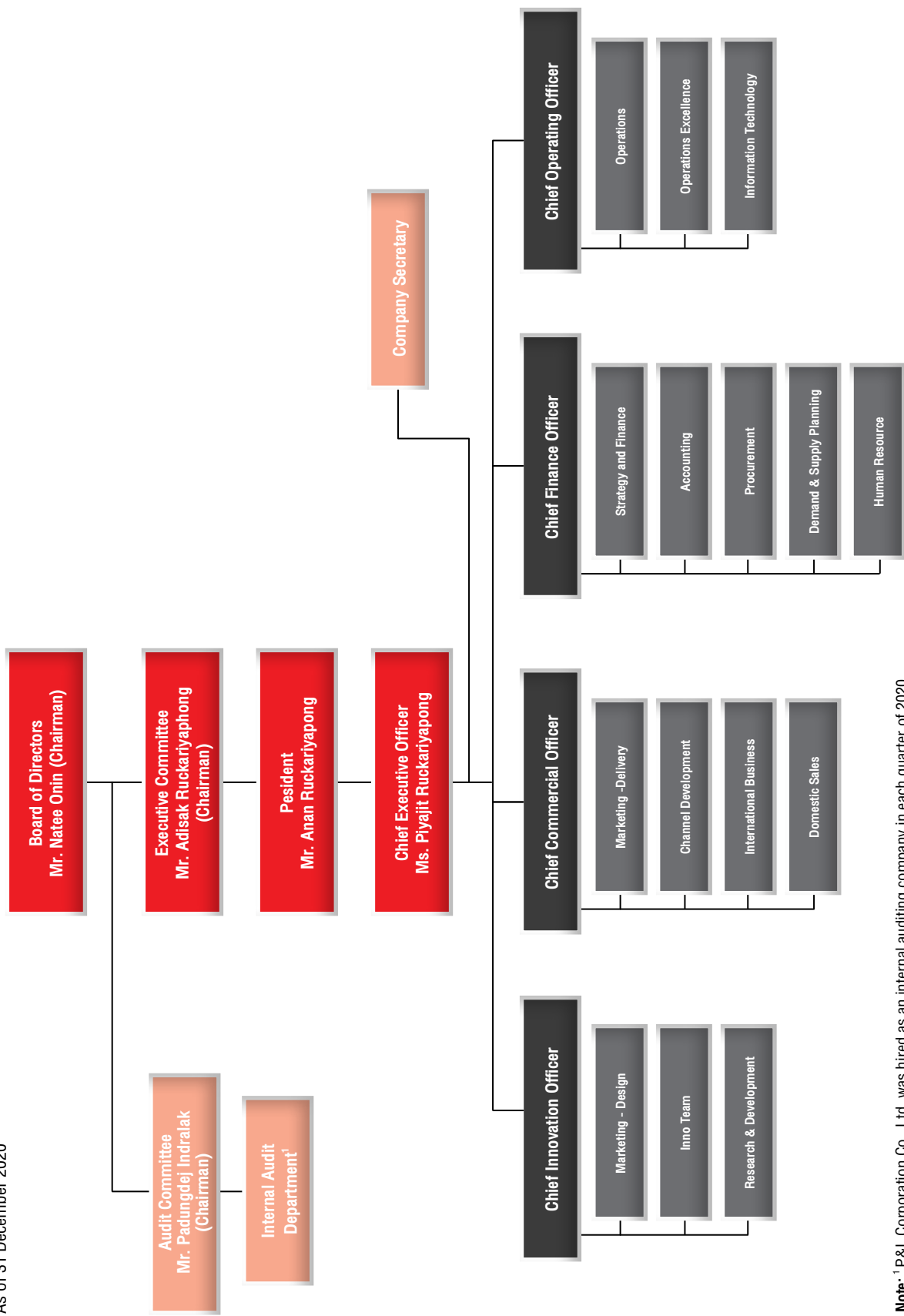
9. Risks from the outbreak of Covid-19

The pandemic of Covid-19 in late 2019 has adversely affected both global and domestic economies, including food and beverages (F&B) industry. However, as a F&B manufacturer and distributor of healthy beverages, the company's many products such as Gumi Gumi Jelly, B'lue Vitamin Jelly, have been well feedbacked from consumers due to their immunity boost and antioxidant functions with high vitamin c. As a result, the company has limited negative impact from this situation. In addition, the business plans have been adjusted to cope with the rapid consumer behavior change, for example, focusing on E-commerce channel, change of marketing budget by focusing more on online advertising, investing in digital marketing, directly delivering products to end consumers, as well as developing new products at affordable price to meet lower purchasing power.

The company believes that this pandemic is a short-term risk and expects that the situation will get better by year 2021 due to discovery of vaccine by leading pharmaceutical companies, planning to distribute to all countries by year 2021-2022.

Management Structure

As of 31 December 2020



Note: ¹ P&L Corporation Co., Ltd. was hired as an internal auditing company in each quarter of 2020

Management structure of the Company consists of Board of Directors, Audit Committee, and Executive Committee. The Board of Directors, committees, and executives of the Company comprise personnel with qualifications as per Section 68 of Public Limited Companies Act B.E. 2535 and the relevant Notifications of the Capital Market Supervisory Board as supported by description below.

1. Board of Directors

Board of Directors Structure

The Board of Directors consists of experts who are valuable to the Company in the aspects of business knowledge, accounting & finance, management, business strategy, and corporate governance while possessing qualifications in line with laws regarding public limited companies and securities and exchange. They are persons who can dedicate themselves and their time to acting on duties and responsibilities.

As of 31 December 2020, the Board of Directors consisted of 10 persons as follows.'

Name	Position
1. Mr. Natee Onin	Chairman
2. Mr. Adisak Ruckariyaphong	Vice Chairman
3. Mr. Anan Ruckariyapong	Director
4. Mr. Arnupap Ruckariyapong	Director
5. Ms. Piyajit Ruckariyapong	Director
6. Mrs. Niratchara Siriamphunkul	Independent Director
7. Mr. Thana Thienachariya	Independent Director
8. Mr. Padungdej Indralak	Independent Director and Chairman of the Audit Committee
9. Ms. Kunnigar Triyangkulsri	Independent Director and Member of the Audit Committee
10. Mr. Surath Pralongsil	Independent Director and Member of the Audit Committee

Ms. Sutatip Chantharangsee, Assistant Vice President of New Business Partnership, Strategy and Finance Department, is the company secretary.

The Board of Directors structure consists of 10 persons, appropriate for size of the business, including 6 non-executive directors. There are 5 independent directors which amount to one-third of total directors.

In addition, the Board of Directors recognizes the benefits of diversity in the Board which is an important factor for decision-making and performance of the Board. The diversity does not only limit to gender, but it also includes ages, educational backgrounds, work experience, skills, and knowledge. As such, recruitment and nomination of directors shall be based on competence and selection criteria which also consider benefits of diversity.

Names, backgrounds, qualifications, experience, and held shares of all directors are disclosed in this 2020 annual report.

Authorized Director

2 of 3 directors, Mr. Anan Ruckariyapong, Mr. Adisak Ruckariyaphong, and Mr. Arnupap Ruckariyapong, shall jointly sign and stamp the seal of the Company.

In case of land lease agreements and trademark license agreements as well as any operation required and related to the agreements, including but not limited to the agreement registration with relevant government agencies and signing of relevant documents, Mr. Natee Onin shall sign and stamp the seal of the Company.

Term of Office of Directors

In an Annual General Meeting, one-third of directors shall vacate the office. If the number of directors makes it impossible to divide them into 3 equal parts, the number of directors nearest to one-third shall vacate the office. The directors who shall vacate the offices in the first and the second year after the registration of the company shall be decided by drawing lots. After that, the directors who have been in office the longest shall vacate the office. Vacating director may be re-elected.

Board of Directors Meeting Attendance in Previous Year

The Company requires a board of directors meeting to be held quarterly. The Chairman shall call for the meeting, but 2 or more directors can request the Chairman to hold the meeting if necessary. In 2020, the Board of Directors held 10 meetings with attendance as follows.

Name	Position	Attendance / Total (Time)
1. Mr. Natee Onin	Chairman	10/10
2. Mr. Adisak Ruckariyaphong	Vice Chairman	10/10
3. Mr. Anan Ruckariyapong	Director	10/10
4. Mr. Arnupap Ruckariyapong	Director	9/10
5. Ms. Piyajit Ruckariyapong	Director	10/10
6. Mrs. Niratchara Siriamphunkul	Independent Director	10/10
7. Mr. Thana Thienachariya	Independent Director	10/10
8. Mr. Padungdej Indralak	Independent Director and Chairman of the Audit Committee	10/10
9. Ms. Kunnigar Triyangkulsri	Independent Director and Member of the Audit Committee	9/10
10. Mr. Surath Pralongsil	Independent Director and Member of the Audit Committee	10/10

In 2020, the Company scheduled the meetings in the year in advance and informed directors in the 3rd quarter of 2019 in order for them to efficiently prepare for the meetings.

Scope of Authority, Duties, and Responsibilities of Chairman

In order to make clear separation of authorities and duties regarding policy formulation and management of the Company, the Chairman possesses the authority, duties, and responsibilities as follows:

1. Controlling the meeting to be effective in accordance with the regulations, Articles of Association, supporting and allowing directors to ask questions and express their opinions independently. Take control of the discussions and summarize the resolution of the meeting.
2. The chairman of the board or the person assigned by the chairman of the board has the duty to call the meeting of the board of directors. By sending the meeting invitation letter no less than 7 days before the meeting date So that the directors have enough time to study and consider and make the right decisions in various matters at the board meeting.
3. Support and promote the Board of Directors to Perform their duties to the best of their ability according to the scope of duties and responsibilities and in accordance with good corporate governance principles.
4. Oversee and monitor the management of the Board of Directors and other sub-committees to achieve the objectives
5. To be a casting vote in the event of votes on both sides are equal

Scope of Authority, Duties, and Responsibilities of Directors

The Board of Directors possesses the authority, duties, and responsibilities for management of the Company in accordance with laws, objectives, and regulations of the Company and resolutions of the Annual General Meeting through honesty and attention to the best interest of the Company, including significant duties and responsibilities as follows.

1. Hold Annual General Meetings within 4 months after accounting period end date of the Company. The Company shall send board of directors meeting and Annual General Meeting invitation letters in advance which should have adequate preparing time and shall not be lower than the required duration as dictated by the regulation of the Company.
2. Hold a board of directors meeting once every 3 months with everyone presented for consideration and resolution of significant transactions, which include acquisition or disposition of assets of companies and subsidiaries affecting the Company, purchase or sale of significant assets, investment project expansion, consideration and approval connected transactions as per criteria of Stock Exchange of Thailand determination of level of authority, establishment of finance and risk management policy for the Company's operations, etc.

3. Ensure clear and transparent processes and management regarding transaction between the Company and connected persons and acquisition or disposition of assets of the Company to prevent conflicts of interest by establishing an approval process as well as disseminating information in line with criteria, methodology, and procedures as specified in Securities and Exchange Act B.E. 2535 (including amendment) and relevant laws, rules, notifications, and regulations of the Stock exchange of Thailand.

4. Establish credible accounting, financial reporting, and auditing systems and documentation systems, which can check accuracy of information by tracing back to its origin, as well as efficient and effective internal control, internal audit, and risk management.

5. Ensure proper conduct of financial statements at end date of accounting period in order to display financial status and performance in the previous year accurately and completely as per generally accepted accounting principles, and be audited by the Company's auditor before proposing to Annual General Meetings for consideration and approval.

6. Establish goals, guidelines, policies, action plans, and budgets of the Company, and monitor and supervise the management as specified in the established policies, action plans, and budgets efficiently and effectively.

7. Review, verify, and approve business expansion plans, major investment projects, and joint investments with other entrepreneurs as proposed by the management.

8. Consider appointment of the Audit Committee, Executive Committee, Chairman of Executive Committee, President, Chief Executive Officer ("CEO"), and other committees as deemed appropriate, and define scope of authority as well as remuneration of the appointed Executive Committee, Chairman of Executive Committee, President, CEO, and other committees.

Granting such mandate should not allow the Executive committee, Chairman of Executive Committee, President, CEO, and other committees to consider and approve transactions which may have conflicts of interest or other conflicts of interest with the Company or subsidiaries (if any) unless approving transactions are in accordance with policies and criteria which have already been considered and approved by the Board of Directors.

In case the Board of Directors assigns Chairman of Executive Committee, President, CEO, and other persons to act on behalf of the Board, the assignment shall include a proof in a written form or a resolution as recorded in minutes of meeting of the board of directors as well as a clear scope of delegated authority.

9. The Board of Directors may assign one or many directors or other persons to operate any particular actions on behalf of the Board under monitoring and supervision of the Board, or delegate authority to such persons with scope and duration as deemed appropriate. The Board may cancel, change, or rectify such authority as appropriate.

The authorization should not allow such persons to consider and approve transactions in which they or related persons may have conflicts of interest with the Company or subsidiaries (if any) unless approving normal transactions in accordance with normal trade terms, policies and criteria, which have already been considered and approved by the Board of Directors. The mandate shall follow criteria, conditions, and procedures regarding connected transactions and acquisition or disposition of significant assets of listed companies as per relevant Notifications of the Capital Market Supervisory Board and/or other notifications of relevant agencies.

10. Directors and executives shall report conflicts of interest of selves and connected persons who have conflicts of interest in business management of the Company or subsidiaries as per criteria, conditions, and procedures of relevant Notifications of the Capital Market Supervisory Board.

11. Both directors and executives shall be liable to any persons who trade the Company's securities and cause potential damage from disclosure of false information or hiding substantial information which is required to be disclosed as per Securities and Exchange Act unless such directors and executives can prove they are not in the position to know such information or the lack of such information to be disclosed.

12. Directors, executives, and spouses and minor children of directors or executives are not allowed to use internal information of the Company, subsidiaries, or associate companies whether from performing duties or other means which cause or may cause a significant impact to the Company, subsidiaries, or associate companies for benefits of selves or others, directly or indirectly, and whether receiving compensation or not.

13. Directors and executives of the Company including related persons of such directors and executives are obliged to inform the Company about their relationships and any connected transactions with the Company, subsidiaries, or associate companies which may cause conflicts of interest, and avoid making such transactions with the Company, subsidiaries, or associate companies.

2. Committee

2.1 Audit Committee

As of 31 December 2020, the Audit Committee consisted of 3 persons as follows.

Name		Position
1.	Mr. Padungdej Indralak	Chairman
2.	Ms. Kunnigar Triyangkulsri	Member
3.	Mr. Surath Pralongsil	Member

Ms. Kunnigar Triyangkulsri is an expert with adequate skills and experience for auditing credibility of financial statements, and Ms. Sutatip Chantharangsee, the Assistant Vice President of the New Business Partnership, Strategy and Finance Department, is the secretary of the Audit Committee.

Term of Office of the Audit Committee Members

The Audit Committee has a term of office for a term of 3 years. The Audit Committee members hold office for a term of 3 years and in accordance with a term of office as the Director of the Company. When the term of office is expired, it may be re-appointed as the Board of Directors deems appropriate.

Audit Committee Meeting Attendance in Previous Year

The Company requires an Audit Committee meeting to be held quarterly. However, the Chairman shall call for the meeting in a special occasion in case there are requests from Audit Committee members, internal auditors, auditors, or the Chairman of the Board to consider important issues, as well as in case the Company needs to make connected transactions or transactions regarding acquisition or disposition of assets of the Company.

In 2020, the Audit Committee held 4 meetings with attendance of its members below. The Audit Committee has reported its annual performance in the Report of the Audit Committee.

Name		Position	Attendance / Total (Time)
1.	Mr. Padungdej Indralak	Chairman	4/4
2.	Ms. Kunnigar Triyangkulsri	Member	4/4
3.	Mr. Surath Pralongsil	Member	4/4

In 2020, the Company scheduled the meetings in the year in advance and informed members in the 3rd quarter of 2019 in order for them to efficiently prepare for the meetings.

Scope of Authority, Duties, and Responsibilities of Audit Committee

1. Ensure accurate and adequate financial statements of the Company.
2. Ensure appropriate and efficient internal control and internal audit systems of the Company, consider independency of internal audit agencies, and make approval in consideration of appointment, relocation, and termination of the head of the internal audit agencies or other relevant agencies.
3. Ensure the Company complies with Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and other relevant laws.
4. Consider, select, nominate, and terminate independent persons to be auditors of the Company, offer remuneration to such persons, and attend a meeting with auditors and without the participation of the management at least once a year.
5. Consider connected transactions or transactions which may have conflicts of interest to be in line with laws and regulations of the Stock Exchange of Thailand in order to ensure such transactions are reasonable and offer the best interest to the Company.
6. Other operations assigned by the Board of Directors and approved by the Audit Committee, for example, review financial management and risk management policies, review code of conduct compliance of executives, and review together with the Company's executives the publication of important reports as specified by law, such as management reports and analyses, etc.
7. Conduct report of the Audit Committee to be disclosed in annual report of the Company. The report shall be signed by the Chairman of the Audit Committee and incorporate information as follows.
 - Opinions on accuracy, completeness, and credibility of financial reports of the Company.
 - Opinions on adequacy of the internal control system of the Company.
 - Opinions on compliance regarding Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or relevant laws.
 - Opinions on suitability of auditors.
 - Opinions on transactions which may have conflicts of interest.
 - Numbers of Audit Committee meetings and attendance of each member.

- Overall opinions or observations received regarding the compliance with Audit Committee Charter.
- Other reports which shareholders and investors should be informed under scope of duties and responsibilities as granted by the Board of Directors.

8. In the Audit Committee's operations, if the committee finds or is suspicious of these transactions below which may significantly affect financial status and performance of the Company, the committee shall report the matters to the Board of Directors in order to rectify them within periods as deemed appropriate by the Board.

- Conflict of interest transaction.
- Corruption or significant abnormality or fault in the internal control system.
- Violation of Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or relevant laws.

If the Board of Directors or executives do not rectify the aforementioned matters within periods as specified in the first paragraph, any Audit Committee member may report such matters to the Securities and Exchange Commission or the Stock Exchange of Thailand.

9. Summarize Missions of the Audit Committee to the Board of Directors.

The Audit Committee has authority to carry out operations, for example, inviting directors, employees, or workers of the Company to a meeting to discuss and clarify the matters regarding duties and responsibilities of the Audit Committee, requesting advice from experts or the Company's consultants (if any) or hiring outside consultants or experts occasionally as necessary within the Company's budgets, requesting evidence documents regarding the business of the Company for investigation, assigning one or many employees of the Company to perform tasks within the scope of duties of the committee on account of investigation including relevant tasks assigned or requested by the subsidiaries.

The Company hired P&L Corporation Co., Ltd. as an internal auditing company in 2020 which was a third party and did not have any connection with the Company to examine the internal control system of the Company to ensure sufficiency of the system.

2.2 Executive Committee

As of 31 December 2020, the executive committee consisted of 5 persons as follows.

	Name	Position
1.	Mr. Adisak Ruckariyaphong	Chairman
2.	Mr. Anan Ruckariyapong	Member
3.	Ms. Piyajit Ruckariyapong	Member
4.	Mr. Arnupap Ruckariyapong	Member
5.	Mr. Thanarat Ruckariyapong	Member

Ms. Sutatip Chantharangsee, Assistant Vice President of New Business Partnership, Strategy and Finance Department, is the secretary of the executive committee.

Term of Office of Executive Committee

An executive committee member is appointed by the Board of Directors with consideration of educational backgrounds and work experiences of the candidate. An executive committee member shall vacate the position due to death, resignation, disqualification and possession of prohibited characteristics in accordance with laws or being removed from the office by the resolution of the Board of Directors meeting. Any executive committee member who intends to resign shall submit a resignation letter to the Company and shall be effective upon submission. In case an executive committee position is vacant, the Board of Directors shall select a new qualified person.

Executive Committee Meeting Attendance in Previous Year

Executive committee meetings shall be held or called as deemed appropriate; however, a regular executive committee meeting shall be held at least once a month and called by the Chairman of the executive committee unless unavailable due to necessary reasons. If necessary, 2 or more executive committee members may request the Chairman to hold the meeting.

In 2020, the executive committee held 13 meetings with attendance of its members as follows.

	Name	Position	Attendance / Total (Time)
1.	Mr. Adisak Ruckariyaphong	Chairman	13/13
2.	Mr. Anan Ruckariyapong	Member	12/13
3.	Ms. Piyajit Ruckariyapong	Member	13/13
4.	Mr. Arnupap Ruckariyapong	Member	13/13
5.	Mr. Thanarat Ruckariyapong	Member	13/13

Scope of Authority, Duties, and Responsibilities of Executive Committee

The executive committee has authority, duties, and responsibilities regarding normal cause of business operations as per objectives, regulations, policies, rules, provisions, orders, and resolutions of the Board of Directors meetings and resolutions of Annual General Meetings. The executive committee shall review and establish policies, business plans, budgets, management structure, and management authority of the Company while establishing criteria for business operations in line with economic conditions and propose to the Board of Directors for consideration and approval, as well as monitor and follow-up the Company's performance as specified in the policies. The executive committee has duties and responsibilities as follows.

1. Propose goals, policies, business plans, business strategies, annual budgets, business expansion, financial planning, human resource management policies, consider and review management's proposals to be proposed to the Board of Directors for approval.
2. Manage and follow up business operations in accordance with the established policies, business plans, and goals as well as budgets approved by the Board of Directors.

3. Consider and approve for major expenditures indicated in the annual budget as approved in principles by the Board of Directors.
4. Consider and approve loans and credit requests with the period not exceeding 5 years; each request of credit limit is within 300 million baht and debt to equity ratio shall be maintained at the level approved by the Board of Directors. In case there is request for the Company's assets, except for land and factory, as collaterals, the matter shall be proposed to the Board of Directors for approval.
5. Consider profit and loss of the Company and interim or annual dividend payment to be proposed for the Board of Directors' approval before proposing to the Annual General Meeting.
6. Establish organizational structure, as well as appointment, employment, relocation, termination, consideration of wage/remuneration/ bonus of executives with the positions equivalent to or higher than the positions of vice president on, except for the positions of Chairman of the executive committee, President, and CEO.

7. Delegate authority to one or many persons to perform any particular action under supervision of the executive committee or delegate authority to such persons within duration as deemed appropriate. The executive committee may cancel, revoke, change, or rectify such authorized persons or the authority as deemed appropriate

The executive committee shall not delegate authority allowing the authorized persons to approve conflict of interest transactions (per definition in Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies) or transactions that have conflicts of interest with the Company or subsidiaries and/or associated companies. The matters shall be proposed to the Board of Directors meeting and/or the Annual General Meeting for approval unless they are normal transactions with trade terms in line with Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies.

8. Perform other duties as assigned by the Board of Directors.

3. Management Team

As of 31 December 2020, the management team consisted of 7 persons as follows.

Name		Position
1.	Mr. Adisak Ruckariyaphong	Chairman of the Executive Committee
2.	Mr. Anan Ruckariyapong	President
3.	Ms. Piyajit Ruckariyapong	Chief Executive Officer
4.	Mr. Arnupap Ruckariyapong	Chief Operating Officer
5.	Mr. Worapong Kietdumrongwong	Chief Commercial Officer
6.	Mr. Anak Lapsuksatit	Chief Financial Officer
7.	Mrs. Yata Onin	Chief Innovation Officer

Scope of Authority, Duties, and Responsibilities of President

1. Study investment possibilities with value not exceeding 100 million baht.
2. Approve investment in new projects with value not exceeding 10 million baht.
3. Human resources management regarding senior executive positions, including employment, appointment, relocation, evaluation, punishment, and removal which to be jointly signed with the CEO.
4. Consider remuneration and other benefits for senior executives which is to be jointly signed with the CEO.
5. Consider and approve asset write-off with value not exceeding 8 million baht and report those transactions with value exceeding 0.5 million baht to the Board of Directors.
6. Approve payment specified in agreements or contracts (as per approved budgets) with unlimited amount.
7. Approve entertainment expenses and charity donations with value not exceeding 1 million baht.
8. Approve short-term investment (not exceeding 1 year).
9. Approve procurement transactions, agreements, and transactions regarding normal business operations with unlimited amount but within approved annual budget.
10. Perform other duties as assigned by the Board of Directors.

Delegation of authority of the President shall not allow the President or authorized persons to approve conflict of interest transactions (per definition in Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies) or transactions that have conflicts of interest with the Company or subsidiaries and/or associated companies; the President shall not have the authority to approve such matters as they shall be proposed to the Board of Directors meeting and/or the Annual General Meeting for approval unless they are normal transactions with trade terms in line with Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies.

Scope of Authority, Duties, and Responsibilities of CEO

1. Oversee the Company's regulations are complied, resolve when in doubt, and request to the Board of Directors for approvals when amendments of the regulations are required.
2. Possess authority to order and establish work procedures and practices as deemed appropriate.
3. Delegate authority to employees with responsibility for such actions.
4. Establish policies, strategies, and goals together with the Board of Directors and implement as planned.
5. Manage business operations in accordance with the vision, mission, policies, and strategies.
6. Ensure each department efficiently and effectively operates in accordance with its strategic plans and goals as well as constantly develop human resources of the Company.
7. Develop the organization for good performance and improvement for sustainable growth.
8. Follow up, verify, control, and report overall performance of the Company to the Board of Directors quarterly.
9. Study new investment opportunities by focusing on both technical and financial analysis for decision-making.
10. Supervise daily operations of the Company.
11. Operate and manage in accordance with policies, plans, and budgets approved by the Board of Directors and/or the executive committee.

12. Establish policies, business plans, business strategies, and annual budgets of the Company to be proposed to the executive committee for approval.

4. Company Secretary

The Board of Directors had a resolution to appoint Ms. Sutatip Chantharangsee as the company secretary on 13 December 2018 in accordance with the Securities and Exchange Act B.E. 2535 (including amendment) to supervise and provide basic instructions to committees and executives regarding regulations and laws and conduct effective coordination within and outside of the organization.

Remuneration of Directors and Executives

(1) Monetary Remuneration

(a) Directors

The 2020 Annual General Meeting on 3 August 2020 had a resolution for remuneration of the Board of Directors and the Audit Committee not exceeding 9,000,000 baht with description as follows.

1.1 Annual Remuneration

- (1) Chairman 216,000 Baht (per Year)
- (2) Director 216,000 Baht (a Person per Year)

1.2 Meeting Attendance Fee

- (1) Chairman 25,000 Baht (per attendance)
- (2) Chairman of the Audit Committee 25,000 Baht (per attendance)
- (3) Director and Audit Committee Member 20,000 Baht (per Person per attendance)

Annual remuneration of the Board of Director in 2020 increased from the previous, while meeting attendance fee remained unchanged.

1.3 Gratuity

By considering net profits of the Company and at discretion of the Board of Directors, in 2020, the Board of Directors allocated the gratuity for 380,161 baht per person (0.1% of net profits of the consolidated financial statements).

In 2019 and 2020, the Company paid total remuneration for directors as follows.

Name			2020			2019		
			Director ¹	Audit Committee Member	Gratuity	Director	Audit Committee Member	Gratuity
1.	Mr. Natee	Onin	438,000	-	380,161	368,000	-	402,727
2.	Mr. Anan	Ruckariyapong	388,000	-	380,161	328,000	-	402,727
3.	Mr. Adisak	Ruckariyaphong	388,000	-	380,161	328,000	-	402,727
4.	Ms. Piyajit	Ruckariyapong	388,000	-	380,161	348,000	-	402,727
5.	Mr. Arnupap	Ruckariyapong	368,000	-	380,161	348,000	-	402,727
6.	Mrs. Niratchara	Siriamphunkul	388,000	-	380,161	288,000	-	402,727
7.	Mr. Thana	Thienachariya	388,000	-	380,161	328,000	-	402,727
8.	Mr. Padungdej	Indralak	388,000	100,000	380,161	328,000	125,000	402,727
9.	Ms. Kunnigar	Triyangkulsri	368,000	80,000	380,161	348,000	100,000	402,727
10.	Mr. Surath	Pralongsil	388,000	80,000	380,161	348,000	100,000	402,727
Total			3,890,000	260,000	3,801,610	3,360,000	325,000	4,027,270

Note : 1 January - July 2020, the same remuneration as year 2019 has been applied (14,000 Baht / month)

(b) Executives

In 2019 and 2020, the Company paid remuneration to executives as follows.

Remuneration	2020		2019	
	Number of Persons	Remuneration (Million Baht)	Number of Persons	Remuneration (Million Baht)
Salaries, bonuses, and other remuneration, including provident funds, post-employment benefits, and short-term benefit estimation.	6	58.72	6	62.22

Directors and executives of the Company which also assume a director position in a subsidiary or indirect subsidiary shall not receive remuneration in the subsidiary or indirect subsidiary.

(2) Other Remuneration

In addition, the Company received an approval from the Annual General Meeting on 26 April 2018 to issue and allocate non-transferable warrant with name entitlement No.2 to executives (including executives who are also directors) and employees ("Warrant" of "SAPPE-WA2") for 4,070,000 units with the offering price of 20.56 baht per unit and the warrant was valid for 4 years starting from the date of the issue. 1 warrant counted for 1 share unless there was adjustment in exercise ratio as per condition of right adjustment. Such Warrant could be exercised at the end date of June and December of each year throughout the Warrant term.

Personnel

a. Number of Personnel

As of 31 December 2019 and 2020, the Company and its subsidiaries had 576 and 532 employees respectively (excluding directors and executives as in 1(b)) which can be sorted by work function as follows.

Function	Number of Employee (Person) as of			
	31 December 2020		31 December 2019	
	Full-Time	Temporary	Full-Time	Temporary
Sappe Public Company Limited	532	45	503	73
Research and Development	16	-	15	-
Product Development & Brand Design	18	-	20	-
Marketing - Delivery	20	-	15	-
Domestic Sales	11	-	19	-
International Business	18	-	20	-
Strategy and Finance	30	-	34	-
Corporate Support	41	-	44	-
Transportation and Warehouse	54	-	63	-
Operations	318	45	268	73
Information Technology	6	-	5	-
Subsidiaries	-	-	-	-
Sappe Europe s.r.o.	-	-	-	-
Sappe Holding (Thailand) Company Limited	-	-	-	-
Indirect Subsidiaries	142	26	169	11
Sappe Trading (Hong Kong) Company Limited	-	-	-	-
Sappe Hong Kong Company Limited	-	-	-	-
Sappe Trading (Shanghai) Company Limited	-	-	-	-
All Coco Group Company Limited	111	26	130	11
All Coco Company Limited	-	-	-	-
K Best Farm Company Limited	31	-	39	-

Personnel sorted by location (including directors and executives as in b.) were as follows.

Location	Number of Employee Sorted by Location			
	31 December 2020		31 December 2019	
	No. of persons	(%)	No. of persons	(%)
Office	153	28%	152	26%
Factory	385	72%	430	74%
Total	538	100%	582	100%

Personnel sorted by gender, age, and level of position were as follows.

Gender	Number of Employee Sorted by Gender			
	31 December 2020		31 December 2019	
	No. of persons	(%)	No. of persons	(%)
Male	241	45%	257	44%
Female	297	55%	325	56%
Total	538	100%	582	100%

Age	Number of Employee Sorted by Age			
	31 December 2020		31 December 2019	
	No. of persons	(%)	No. of persons	(%)
Lower than 30 years	162	30%	232	40%
30-50 years	347	65%	330	57%
Higher than 50 years	29	5%	20	3%
Total	538	100%	582	100%

Level of position	Number of Employee Sorted by Level of position			
	31 December 2020		31 December 2019	
	No. of persons	(%)	No. of persons	(%)
Officer	420	78%	471	81%
Division manager	93	17%	96	16%
Assistant Vice President	18	3%	9	2%
Vice President and higher	7	2%	6	1%
Total	538	100%	582	100%

b. Remuneration of Employees

In 2019 and 2020, the Company paid remuneration to employees for a total of 368.51 million baht and 370.53 million baht respectively which included remunerations in the form of salaries, overtime payment, social security benefit, provident fund, and others.

c. Provident Fund

The Company established provident fund on 1 January 2010 under management of UOB Asset Management (Thailand) Co., Ltd. in order to motivate and retain employees in the long term. The Company has been contributing to the provident funds since January 2010.

The Company encourages employees to save money and aims to create security for the employees and their families when they retire, pass away, or resign from the Company. In 2017, the Company reviewed and increased employer's contribution regarding the employees' years of service, comparing to companies in the same or similar industry.

d. Other Remuneration

On 26 April 2018, the Company received an approval from the Annual General Meeting to issue and allocate non-transferable warrant with name entitlement No.2 to its executives (including executives who are also directors) and employees ("Warrant" of "SAPPE-WA2") for 4,070,000 units with the offering price of 20.56 baht per unit and the warrant was valid for 4 years starting from the date of the issue. 1 warrant is counted for 1 share unless there was adjustment in exercise ratio as per condition of right adjustment. Such Warrant could be exercised at the end date of June and December of each year throughout the Warrant term.

Personnel Development Policy

We are always committed to our mission: We better people's lives through our innovative spirits. We value our employees as our family, value our workplace as a playground. Everybody is a game player, who are called "Sappe Players", equipped with ability to work with fun, dynamic and creativity. In the past year, we encountered severe COVID-19 pandemic, leading to great lessons we have learnt and developed to empower our players' potential. We have adapted the learning process in the form of hands-on learning through One-on-One session with management team, online training session, creation of growth mindset to boost immunity for unexpected disruptive incidents. We intend to grow the organization through innovation and the power of good mindset will be driving force for innovation, enabling the Company, Sappe Players, customers, business partners, shareholders, society and community to grow sustainably.

We have a policy to continuously develop our player's potential with strong intention to create growth mindset for innovative growth. The Company focuses on Successor plan for career development,

cultivating employees with self-improvement concept to add value for themselves and for the organization, designing faster learning processes leading to faster and better changes to help employees on problem-solving, decision-making, and leadership management, especially specific development programs for each department and individual through a new evaluation system and work development plans (WDPs), enabling employees to conduct self-assessments and to inform supervisors their desired developments in order to jointly create development plans. This also builds engagement within the organization and continuously improves employees in all level through competency-based methods in line with the Company's goal, creating the best benefits to be applied to work efficiently. With dedication to build innovation mindset to all employees, creative and fun content or activities are included in all training courses; it builds employees satisfaction and encourages them to participate in training programs and activities of the Company, leading to the creations of innovations in products, work processes, and new technologies. The Company focuses on building practical knowledges in the form of action learning and promoting good moral, ethics, governance in work operations as well as increasing employees' intellectual value to become innovators in the future.

In 2020, to the Company held training programs for employees as follows.

1. Business Acumen Development – from classroom learning to actual application, by assigning the project to employees in various groups, including:
 - General group, through both training and experience sharing by individual expert of each work function and using of various tools & machinery equipment to be more efficient and effective by applying 4DX principle
 - Talent Group, through various training courses such as "To Know More Traditional Trade" by collaboration with Commercial partners in providing opportunities to learn and observe from the real experiences.
 - Management Group, receiving business management skill development through a focus group project by collaboration with upper management group
 - Upper Management group (Senior Vice President Level), through idea exploration, idea crystallization and conclusion in a focus group project collaborated with Management Group.
2. Communication Development, through One-on-One process via Selling and Negotiation Skill course by performing Role Play model between sales team and management team to promote the strengths and improve the weaknesses. In addition, the coaching program between Management Team (Vice President Level) and Middle Management team initiated to learn the skills of listening & feedback and to build the 2nd character (from the 7 habits of highly effective people) for impactful presentation.

3. Leadership Development, including “Growth Mindset” course, “Coaching skill” course, “Train-the-Trainer” course, “WDP master” course, “Great Leader” course.

4. Talent Development is a program for high-performance employees, who have a role in management and possess potential to advance their career, under the purpose to leverage competency and increase potential. The program has development processes as well as screening as per the established process and program designing which prioritizes action-based learning through project management along with training, self-improvement, efficient communication, awareness of the Company’s goal, personnel development, and society contribution for sustainability. Evaluation is designed to be 360 degree comprehensive and direct evaluation from participants.

As opening the new perspective helps create immunity for Sappe Player to cope with current situation and the future full of Volatility, Uncertainty, Complexity and Ambiguity (VUCA), the Company promotes employees to open for new knowledges shared by outside experts such as Strategy process, Digital Marketing, ECR which can be applied to work and to oneself for personal success. In addition, the incident of the Covid-19 pandemic is also a great opportunity to gain knowledge, understanding and guidelines for actions to cope with disruptive incidents, making Sappe Player different and ready for the changes.

As the Board of Directors is aware of long-term effectiveness of business management and business continuity which leads to sustainable growth, the following succession plan is made to ensure that the Company’s management team is well-equipped with knowledges and expertise to operate the business:

1. Board of Directors determines sustainable management development plan, which shall support future sustainable growth, and succession plan for important positions.
2. The management defines qualification on knowledge, competency, and experience of each position for selection of qualified candidates.
3. The management evaluates performance and capability of its subordinates in order to establish development plan being implemented for reducing competency gaps.
4. The management assigns Human Resource Department to develop the selected candidates’ capabilities through suitable activities and submit monthly monitoring report to the management.
5. The management annually reports the performance of such development to the Board of Directors.

Welfare Policy

It is the Company’s policy to keep the employees healthy and happy with their jobs. The Company believes that if the employees are well-treated with appropriate welfare, job security and good quality of life provided, they will be happy, leading to effectiveness and efficiency of work. The Company’s welfare and benefits are compared among companies in the same or similar industry or provided as prescribed by laws. The Company has continuously implemented its welfare policy from the past years as follows:

1. Friendly workplace environment is well maintained for happy working, promoting creativity and inspiration
2. Welfares such as hygienic canteen, clean toilets, clean first aid room, and shuttle bus services are provided, in compliance with law, to employees at the factory
3. Employees’ compensations and benefits are appropriately, fairly, and thoroughly determined by considering inflation rate and comparative information of companies in the same industry. The wages are complied with an announcement of minimum wage rate under labor law.
4. Up-to-date information system is well designed to allow employees to constantly receive information via digital system.
5. Office supplies, working equipment and up-to-date information system are provided to increase efficiency.
6. Canteen at Khlong 13 factory has been renovated with glass partition wall installation, making the canteen more organized and hygienic.
7. Table tennis play area is provided at both the office and Khlong 13 factory to promote exercise routine and employees’ interaction.
8. Walkway construction at Khlong 13 factory was complete as a sunshade and a rain protection as well as a traffic control in the factory
9. Change of payroll bank account for employees’ lower bank charges
10. Installation of ATM machine at the Khlong 13 factory for employees’ convenient financial transactions.
11. Installation of Human resource information system (HRIS) for attendance tracking, online leave request, personal information access, e-pay slip request, and online training history as well as for lower paper usage.
12. Massage by professional therapist is provided to prevent office syndrome and reduce stress at work, increasing employees’ performances
13. High speed wi-fi facility provided for work efficiency and convenience.

14. Extend the use of HR information system (HRIS) by cancellation of report printing and replace with online access, providing speed and convenience to access employees' information, and reducing the use of paper.

15. Improve security system with fingerprint and face scanning, as well as updating database for the safety of office entry

The Company also has created various programs prescribed by law such as establishment of Sports & Recreations club by Welfare Committee, formation of Employee Committee as employee representative to help constantly assess employees' needs and suggestions relating to welfare provision and workplace environment and present to management meetings for discussion.

Moreover, the Company has provided welfare housing loan program in collaboration with the Government Housing Bank (GH Bank) to give special interest rate, discount for floating rate loan, and maximum loan limit at 100% of appraisal value. This welfare allows the employees to afford their own houses.

Health and Environmental Safety Policy

To promote happy and safe workplace environment for the employees, the Company has adhered to the Health and Environmental Safety Policy, continuously implemented from the past years as follows:

1. Safety in workplace is everyone's responsibility.
2. Improve working environment for employees' safety.
3. Reinforce activities regarding the safety of working environment
4. Provide safety trainings to all levels of employees to build safety awareness towards themselves, colleagues, and the Company's properties.
5. Specify safety rules and regulations. Supervisors act as role models to comply with such rules and regulations.
6. Encourage the collaboration of all levels of employees to follow the Health and Environmental Safety Policy
7. Promote cooperation towards occupational health and safety measures, and working environment of the company

Human Resources Policy

To achieve the Company's goal, Sappe Public Company Limited has established the policy of high-skilled employee retention and encouraged all employees to utilize their skills to reach full potentials with good ethics and code of conduct to maintain one another harmony and positive relationships as follows:

1. Candidates selection for each position shall have qualifications that meet requirements. The selections or job rotations shall be fairly executed without prejudice
2. The Company shall treat the employees fairly
3. The Company shall constantly provide the employees supports and developments

4. The employee compensation shall be fairly and appropriately determined according to circumstances, job natures, organizational performance, and affordability of the Company.

5. The Company shall support the employees to constantly receive relevant information.

6. The Company shall create corporate culture by encouraging the employees to act in accordance with the corporate core values leading to employees' behavior change, and consequently driving the organization to achieve strategic goals.

Employees

To take care of employees, our valued human resources, the Company has established a policy stipulating that all employees will be treated fairly regarding opportunities, benefits, potential developments, health and environmental safety and provident funds to ensure their quality of lives. The employees' compensations and benefits will be considered from the individual abilities and performance, Company's performance and the competitiveness in the same industry. For the employees' skill and knowledge developments, they will be provided through various internal and external training courses. The safety and hygiene of workplace at the office and the factory are provided in line with the health and environmental safety policy. Statistics of occupational accident rate, injury rate and leave rate are collected for analysis to improve employee safety standard.

In addition, the human rights have also been taken into consideration. the Company holds no discrimination and provides same hiring opportunities to all employees regardless of their races, skin colors, genders, religions and political opinions. The Company treats all employees fairly with suitable remunerations and inspires employees to participate in communities and societies development programs through a range of activities.

In addition, from our commitment to continuous human resource development through various concrete processes, it reflects the success through indicators of employee engagement at 4.39 (out of 5.00) in 2020, which was significantly high. This is another pride of the Company in terms of human resource development and serves as a guideline for the company to develop personnel in the future in pursuit of a sustainable organization.

Administrative Policy

The Company focuses on pleasant and creative working environment in the organization, good spirit and morale, health and environmental safety as these lead to effective working performance, bringing future success to the organization.

The Company has continuously implemented its administrative policy from the past years as follows:

1. The workplace is designed with consideration of numerous factors relating to employees' personalities and diverse working styles.
2. Cleanliness and tidiness within the office are always maintained
3. A hygienic canteen, a clean first-aid room and shuttle bus service are provided as stated in the law (for employees at the factory).
4. Office supplies, photocopy machines and internet access are well managed and controlled for the most effective usage.
5. Positive and lawful relationships are built with external parties, customers and government agencies

Internal Data Confidentiality Policy

Internal data protection is very significant to the Company's success and to all employees' career security. To ensure that information disclosure to the public does not tarnish the operation and the Company's image, the Code of Conduct for confidentiality and internal data usage has been formulated as follows:

1. The Company's directors, executives, employees and temporary workers should adhere to the Company's confidentiality and/or internal significant information which has not been disclosed to the public for their own interests.
2. The Company has informed the executives of the roles and responsibilities over shareholding, whether by one's self, spouses and minor children and of reporting changes in the number of shares under possession to the Office of the Securities and Exchange Commission pursuant to Section 59 and the Punishment Chapter in Section 275 of the Securities and Exchange Act B.E. 2535.
3. The Company's directors, executives, employees and temporary workers should not disclose confidential information and/or internal information or seek interests for one own or others' interests, whether or not directly, and whether or not paid.
4. The Company's directors, executives, employees and temporary workers should not buy, sell, transfer or accept a transfer of the Company's securities using its confidentiality and/or internal information or enter into any transactions by using those confidentiality and/or internal information, which may affect the Company, whether or not directly. This regulation should also include the spouses and minor children of the directors, executives, employees and temporary workers. Those who violate the regulations will be considered as a serious offence.

5. The Company has determined the guideline for maintaining and preventing the illegal insider trading, by banning directors, executives, employees with the roles of at least department director and parties related to insider information from buying or selling the Company's securities one month before the disclosure of quarterly financial statement and annual financial statement; as well as 24 hours after the significant information is disclosed.

6. The Company's directors, executives, employees with the roles of at least department director, should report all securities trading to the Company.

7. The Company's employees across levels who receive personal information should carefully keep or use such information.

8. The Company stipulates that the information related to the parties and the conditions agreed with the parties are confidential information that should not be disclosed to others, unless it has been approved by the Company and the parties.

9. The Company has determined the measures and systems to strictly control and oversee information of each department or division to prevent internal serious information from being released to the public before an official publication. It is deemed that such measures and systems are also parts of the Company's major risk control measures.

10. The Company has tasked the supervisors in all levels with the duties and responsibilities of preventing one's own subordinates from committing a leak of serious information and news to the public before the Company's official disclosure is made.

11. The employees' internal information usage should be consistent to the related employees' boundaries of duties and responsibilities as assigned.

12. The Company's employees across levels must not disclose confidential information even when they are no longer employed or service is terminated.

The Company has formulated penalties with regards to an abuse of the Company's internal information for one's own benefits by publishing in regulations. A penalty ranges from a verbal warning to a dismissal.

Mr. Natee Onin (Age 48)

Position: Chairman of the Board of Directors

Type of Director: Non-executive Director

Period of directorship at SAPPE: 7 years 4 months (start date was 2 September 2013)

Nationality: Thai

Education:

- Ph.D. Business Administration, Ramkhamhaeng University
- M.Sc. International Business, London South Bank University, UK.
- Bachelor of Business Administration, Assumption University

Thai Institute of Director (IOD)'s Trainings and Seminars:

- Director Certification Program (DCP) Class 269/2019
- Board Matters and Trends (BMT) Class 4/2017 (2017)
- Chairman Forum 1/2014, topic "Clean Business: What is the Chairman Role?" 1/2014
- Director Accreditation Program (DAP) Class 106/2013 (2013)
- Role of the Chairman Program (RCP) Class 32/2013 (2013)

Shareholding Percent in the Company (%) (as of 31 December 2020): None

Family Relationship of Management: None

Past 5 Year Experiences:

- Listed companies in the Stock Exchange of Thailand: None
- Non-listed companies in the Stock Exchange of Thailand:
 - Oct 2016 - Present Director Oninloft Company Limited
 - Sep 2016 - Present Director Kampangsaan Company Limited / Apartment rental service for residential purpose
 - Sep 2016 - Present Director June 59 Company Limited / Apartment rental service for residential purpose
 - Sep 2016 - Present Director July 59 Company Limited / Apartment rental service for residential purpose
 - Aug 2013 - Present Director 3T Engineering Company Limited / Production and distribution of conveyor belts in industrial factories
 - Jul 2013 - Present Director Leisure House Company Limited / Construction business
 - Jan 2011 - Present u General Manager Toyox Trading (Thailand) Company Limited / Industrial pipe distribution
 - May 2009 - Present Director Onin Property Company Limited / Real Estate Agent



Mr. Adisak Ruckariyaphong (Age 47)

Position : Vice-Chairman and Chairman of Executive Committee

Type of director : Executive Director

Period of directorship at SAPPE : 7 years 4 months (since 2 September 2013)

Nationality : Thai

Education

- Master's degree of Business Management, Nagoya University, Japan
- Bachelor's degree of Business Administration, Assumption University

Thai Institute of Director (IOD)'s Trainings and Seminars:

- Director Accreditation Program (DAP) 103/2013 (2013)

Others Training Courses:

- Chief People Officer (CPO) 5/2015, Panyapiwat Institute of Management
- Senior Executive Program 21/2015, Capital Market Academy Program (CMA)
- Academy of Business Creativity (ABC) 1/2013, Academy of Business Creativity, Sripatum University

Percentage of SAPPE Shareholding (%) (as of 31 December 2020) : 17.16

Family Relationship of Management :

Son of Mr. Anan Ruckariyapong and sibling of Ms. Piyajit Ruckariyapong and Mr. Arnupap Ruckariyapong

Past 5 Year Experiences:

• Listed companies in the Stock Exchange of Thailand:

Oct 2018 - Present Independent director and Audit Committee member Index Living Mall Public Company Limited / Distributor of furniture, household goods, accessories and appliances

• Non-listed companies in the Stock Exchange of Thailand:

Nov 2018 - Present	Director Kingkong Cruise Company Limited/ Boat Service for tourism and travel
Oct 2018 - Present	Director Index International Group Company Limited / Architecture and related consultant business
Feb 2018 - Present	Director Meatster Company Limited / Retail and wholesale of meat product
Nov 2017 - Present	Director Coco Art Company Limited / Manufacturer and Distributor of coconut and other agricultural products
Oct 2017 - Present	Director Toyox Asia (Thailand) Company Limited / Manufacturer of industrial hoses
Oct 2016 - Present	Director All Coco Group Company Limited / Manufacturer and distributor of coconut products (subsidiary)
Sep 2016 - Present	Director Hose Center Company Limited / Manufacturer and distributor of industrial hoses
Dec 2015 - Present	Director Sappe Hong Kong Company Limited / Management service for associated companies (subsidiary)
Jun 2015 - Present	Director Sappe Trading (Hong Kong) Company Limited / Distribution of healthy beverages (subsidiary)
May 2015 - Present	Director Sappe Holding (Thailand) Company Limited / Management service for associated companies (subsidiary)
Sep 2011 - Present	Director Mitan Interior Design Service Company Limited / Wholesale of household electronic appliances
Sep 2010 - Present	Director Hayashi Products Company Limited / Distributor of condoms
Jul 2008 - Present	Director Sappe Corporation Company Limited / Distributor of non-alcoholic beverages
2007 - Present	Managing Director Toyox Trading (Thailand) Company Limited / Distributor of industrial pipes
Aug 2013 - May 2016	Director 3T Engineering Company Limited / Manufacturer and distributor of conveyor belts in industrial factories



Mr. Anan Ruckariyapong (Age 77)

Position : Director and President

Type of director : Executive Director

Period of directorship at SAPPE : 7 years 4 months (since 2 September 2013)

Nationality : Thai

Training Courses by the Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 103/2013

Percentage of SAPPE Shareholding (%) (as of 31 December 2020) : 1.63

Family Relationship of Management : Father of Mr. Adisak Ruckariyaphong,

Ms. Piyajit Ruckariyapong and Mr. Arnupap Ruckariyapong

Past 5 Year Experiences :

- **Listed companies in the Stock Exchange of Thailand :** None

- **Non-listed companies in the Stock Exchange of Thailand :**

July 2008 - Present Director Sappe Corporation Company Limited / Distributor of non-alcoholic beverages



Ms. Piyajit Ruckariyapong (Age 45)

Position : Director and Chief Executive Officer

Type of director : Executive Director

Period of directorship at SAPPE : 7 years 4 months (since 2 September 2013)

Nationality : Thai

Education :

- Bachelor's Degree (with honors), Liberal Arts from University of Sheffield, UK

Training Courses by the Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 103/2013

Others Training Courses :

- Top Executive Program in Commerce and Trade (TEPCoT) 13 (2020-2021) The University of the Thai Chamber of Commerce (UTCC)
- Senior Executive Program 26 /2018 Capital Market Academy Program (CMA)
- Academy of Business Creativity (ABC) 5/2016 Academy of Business Creativity, Sripatum University

Percentage of SAPPE Shareholding (%) (as of 31 December 2020) : 17.83

Family Relationship of Management : Daughter of Mr. Anan Ruckariyapong and sibling of Mr. Adisak Ruckariyaphong and Mr. Arnupap Ruckariyapong

Past 5 Year Experiences :

- **Listed companies in the Stock Exchange of Thailand :** None

- **Non-listed companies in the Stock Exchange of Thailand :**

Nov 2016 - Present	Director Sappe Trading (Shanghai) Company Limited / Distributing health drinking products
Oct 2016 - Present	Director All Coco Group Company Limited / Producing and distributing coconut products
Dec 2015 - Present	Director Sappe Hong Kong Company Limited / Management service for associated companies (subsidiary)
Jun 2015 - Present	Director Sappe Trading (Hong Kong) Company Limited / Distribution of healthy beverages (subsidiary)
May 2015 - Present	Director Sappe Holding (Thailand) Company Limited / Management service for associated companies (subsidiary)
Jul 2008 - Present	Director Sappe Corporation Company Limited / Distributor of non-alcoholic beverages
2013 - Dec 2016	Director PT. Sappe Indonesia / Distributing health drinking products



Mr. Arnupap Ruckariyapong (Age 42)

Position : Director and Chief Operating Officer

Type of director : Executive Director

Period of directorship at SAPPE : 7 years 4 months (since 2 September 2013)

Nationality : Thai

Education :

- Bachelor's Degree, Engineer Major Computer Science, University of California, USA

Training Courses by the Thai Institute of Directors Association (IOD):

- Director Accreditation Program (DAP) 103/2013

Others Training Courses :

Academy of Business Creativity (ABC) 3/2015 Academy of Business Creativity, Sripatum University

Percentage of SAPPE Shareholding (%) (as of 31 December 2020) : 15.35

Family Relationship of Management : Son of Mr. Anan Ruckariyapong and sibling of Mr. Adisak Ruckariyaphong and Ms. Piyajit Ruckariyapong

Past 5 Year Experiences :

- **Listed companies in the Stock Exchange of Thailand :** None

- **Non-listed companies in the Stock Exchange of Thailand :**

2019 - Present	Director All Coco Group Company Limited / Producing and distributing coconut products
Dec 2015 - Present	Director Sappe Hong Kong Company Limited / Management service for associated companies (subsidiary)
Jun 2015 - Present	Director Sappe Trading (Hong Kong) Company Limited / Distribution of healthy beverages (subsidiary)
May 2015 - Present	Director Sappe Holding (Thailand) Company Limited / Management service for associated companies (subsidiary)
2010 - Present	Director Hayachi Products Company Limited / Distributor of condoms
Jul 2008 - Present	Director Sappe Corporation Company Limited / Distributor of non-alcoholic beverages
Sep 2016 - 2020	Director On Fifth Company Limited / Restaurant
Mar 2016 - Present	Director 3T Engineering Company Limited/ Manufacturer and distributor of conveyor belts for industrial factories



Mr. Thana Thienachariya (Age 51)

Position : Director

Type of director : Independent Director

Period of directorship at SAPPE : 7 years 4 months (since 2 September 2013)

Nationality : Thai

Education :

- Master's degree of Business Administration, Washington State University, USA.
- Bachelor's degree of Economic (2nd class honors), Chulalongkorn University

Training Courses by the Thai Institute of Directors Association (IOD) :

- Director Certification Program (DCP) 181/2013

Others Training Courses :

- TLCA Executive Development Program (EPD) 8/2011 Thai Listed Companies Association
- A new leader in democracy Program 1/2011 King Prajadhipok's institute
- Senior Executive Program 8/2009 Capital Market Academy Program (CMA)

Percentage of SAPPE Shareholding (%) (As of 31 December 2020) : None

Family Relationship of Management : None

Past 5 Year Experiences :

• **Listed companies in the Stock Exchange of Thailand :**

Nov 2020 - Present	Advisor to the CEO Siam Commercial Bank Public Company Limited / Commercial Bank
2015 - Present	Director Aksorn Education Public Company Limited
2015 - Oct 2020	Senior Executive Vice President, Chief Marketing Officer and Head of External Communication & CSR (Acting) Siam Commercial Bank Public Company Limited / Commercial Bank
2015 - Jul 2016	Independent Director and Audit Committee Singha Estate Public Company Limited/ Real Estate

• **Non-listed companies in the Stock Exchange of Thailand :**

12 Nov - Present	Director and Chairman of the Board of Directors, Bluebik Group Company Limited
13 Jul 2020 - Present	Director, Purple Ventures Company Limited
2013 - Jul 2020	Director, Southpaw Business Company Limited
2013 - Present	Director - Academy of Business Creativity, Sripatum University
Aug 2013 - 2016	Director, SF Corporation Company Limited



Mrs. Niratchara Siriamphunkul (Age 58)

Position : Director

Type of Director : Independent Director

Period of directorship at SAPPE : 7 years 4 months (start date was 2 September 2013)

Nationality : Thai

Education :

- Bachelor of Economics, Chiang Mai University

Thai Institute of Director (IOD)'s Trainings and Seminars :

- Director Certification Program (DCP) 180/2013

Shareholding Percent in the Company (%) (As of 31 December 2020) : None

Family Relationship of Management : None

Past 5 Year Experiences :

- **Listed companies in the Stock Exchange of Thailand :** None
- **Non-listed companies in the Stock Exchange of Thailand :**
2007 - Present Chairman Thung Sod Company Limited / Packaging product business



Mr. Padungdej Indralak (Age 66)

Position : Director and Chairman of Audit Committee

Type of Director : Independent Director

Period of directorship at SAPPE : 3 years 5 months (since 26 July 2017)

Nationality : Thai

Education :

- Postgraduate Diploma (Development Economics), North London Polytechnic, UK
- B.A. (Economics), Chulalongkorn University

Training Courses by the Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 103/2013

Others Training Courses :

- SCG Management Development Program Wharton Business School
- National Defence College 2005 National Defense College (NDC)
- Corporate Finance Certificate - INSEAD, France
- Senior Executive Program 18/2014 Capital Market Academy Program (CMA)

Percentage of SAPPE Shareholding (%) (as of 31 December 2020): None

Family Relationship of Management : None

Past 5 Year Experiences :

• **Listed companies in the Stock Exchange of Thailand :**

2018 - Present	Independent Director, Audit Committee Thai Group Holding Public Company Limited / Insurance
2019 - Present	Director of Enterprise Risk Management Committee, member of the nomination and remuneration committee Thai Group Holding Public Company Limited / Insurance
2013 - 2015	Independent Director, Audit Committee and Director of Enterprise Risk Management committee Nok Airlines Public Company Limited

• **Non-listed companies in the Stock Exchange of Thailand:**

2014 - Present	Director and Audit Committee Southeast Insurance Public Company Limited / Insurance
2018 - Present	Director of Enterprise Risk Management Committee Southeast Insurance Public Company Limited / Insurance
2014 - Present	Director and Audit Committee Southeast Insurance Public Company Limited / Insurance
2018 - Present	Director of Enterprise Risk Management Committee Southeast Life Insurance Public Company Limited / Insurance
2014 - Present	Director and Audit Committee Southeast Capital Company Limited / Leasing
2018 - Present	Director of Enterprise Risk Management Committee Southeast Capital Company Limited / Leasing
2014 - Present	Independent Director and Chairman of Audit Committee ANZ Bank (Thai) Public Company Limited / Financial Institution
2014 - 2015	Director Nok Mangkang Company Limited / Airlines Business
2014 - 2015	Independent Director, Audit Committee and Director of Enterprise Risk Management Committee Wuttisak Clinic International Group Company Limited / Beauty Business



Ms. Kunnigar Triyangkulsri (Age 54)

Position : Director and Audit Committee

Type of Director : Independent Director

Period of directorship at SAPPE : 7 year 4 months (since 2 September 2013)

Nationality : Thai

Education :

- Master of International Finance, American Graduate School of International Management, USA
- Bachelor of Business Administration, Major Finance, Thammasat University

Training Courses by the Thai Institute of Directors Association (IOD):

- Role and the Nomination and Governance Committee 7/2015
- Audit Committee Program (ACP) 45/2013
- Director Certification Program (DCP) 133/2010

Percentage of SAPPE Shareholding (%) (as of 31 December 2020) : 0.02

Family Relationship of Management : None

Past 5 Year Experiences :

- **Listed companies in the Stock Exchange of Thailand :** None

- **Non-listed companies in the Stock Exchange of Thailand :**

Oct 2018 - Present Sub-Committee of Supervision and Examination Anti-Money Laundering Office / Government Agency

Aug 2017 - Present Director AHG Partner Company Limited / Health & Care Business

Year 2012 - Present Director Arun Health Garden Company Limited / Health Clinic

Year 2005 - Present Director Arunotel Company Limited / Hotel and restaurant

Feb 2019 - July 2020 Advisor of Supervision and Examination Division Anti-Money Laundering Office / Government Agency

Dec 2013 - Dec 2016 Independent Director and Member of Nominating and Remuneration Committee The Thai Credit Retail Bank Public Company Limited / Commercial Bank



Mr. Surath Pralongsilp (Age 50)

Position : Director and Audit Committee

Type of director : Independent Director

Period of directorship at SAPPE : 7 years 4 months (since 2 September 2013)

Nationality : Thai

Education :

- Master's degree, M.A in Finance and Investment, University of Exeter
- Master's degree of Business Administration, Thammasat University
- Bachelor's degree of Engineering Program in Industrial Engineering, Chulalongkorn University

Training Courses by the Thai Institute of Directors Association (IOD) :

- Director Certification Program (DCP) 259/2018
- Advance Audit Committee Program (AACP) 14/2014
- Director Accreditation Program (DAP) 106/2013

Others Training Courses :

- Strategic Chief Financial Officer 9/2019 The Securities Exchange of Thailand
- Executive Development Program 4/2009 Thai Listed Companies Association

Percentage of SAPPE Shareholding (%) (As of 31 December 2020) : None

Family Relationship of Management : None

Past 5 Year Experiences :

• **Listed companies in the Stock Exchange of Thailand :**

March 2019 - Present Director and Executive Vice President (Finance) Kulthorn Kirby Public Company Limited
Sep 2015 - Jun 2017 Director and CEO Bangpakong Terminal Public Company Limited / Port facilities Service
Aug 2014 - Aug 2015 Director and Audit Committee Bangpakong Terminal Public Company Limited / Port facilities Service

• **Non-listed companies in the Stock Exchange of Thailand :**

April 2019 - Present Director Kulthorn Premier Company Limited
April 2019 - Present Director Kulthorn Kirby Foundry Company Limited.
April 2019 - Present Director Kulthorn Materials and Controls Company Limited.
April 2019 - Present Director Kulthorn Steel Company Limited
April 2019 - Present Director Kulthorn Metal Products Company Limited
April 2019 - Present Director Kulthorn Research and Development Company Limited.
Jan 2015 - Aug 2015 Senior Vice President of Marketing and Supply Chain ItalThai Industrial Company Limited
Jan 2013 - Dec 2014 Director of Supply Chain Management ItalThai Industrial Company Limited



Company Secretary

Ms. Sutatip Chantharangsee (42 Years)

Position : Company Secretary and Board of Directors Secretary
Audit Committee Secretary, Executive Committee Secretary
and Assistant Vice President– New Business Partnership,
Strategy and Finance Department

Education:

- Master's degree of Business Administration, Sasin School of Management
- Bachelor's degree, Faculty of Commerce and Accountancy, Banking and Finance (Second-class Honor) Thammasat University

Thai Institute Of Director (IOD)'s Trainings and Seminars :

- Company Secretary Program 2019

Percentage of SAPPE Shareholding (%) (As of 31 December 2020) : None

Family Relationship of Management : None

Past 5 Year Experiences:

- **Listed companies in the Stock Exchange of Thailand :**

2014-2017 Finance Department Manager Chememan Public Company Limited

- **Non-listed companies in the Stock Exchange of Thailand :**

2011 - 2014 Treasurer & Corporate Planning Team Lead CUEL Company Limited



Corporate Governance Policies

The Company realizes the significance of effective, transparent, accountable management system which shall build the confidence to all stakeholders and will bring the sustainable growth of the business by operating the business with ethics and complies with relevant law. Therefore, the Company has established its Corporate Governance Policies so as to improve its existing operation to be the apparent system and diverse the practice to all employees of the Company which shall truly enhance the building of Corporate Governance culture. In order to do so, the Company adopted a guideline from **Corporate Governance Code For a Listed Company 2017 (Corporate Governance Code: CG Code)** which the Board of the Company acknowledge a guideline of CG code and aware of the role of the leader (Governing Body) in building the value for the business in sustainable manner and also evaluate the compliance of CG Code in general by considering to the evaluation result prepared and briefed by the Management. Whereas in Year 2020, the Company still determine in compliance with CG Code as much as practicable; the entire guideline in evaluation is composed of 5 sections as follows:

Section 1 The Rights of Shareholders

The Company is aware of and realizes the significance of the basic rights of shareholders, both as an investor and corporate owner e.g. right to buy, sell and transfer their securities freely; right to receive dividend; right to receive sufficient information; right to attend a Shareholders' Meeting; right to express an opinion; right to join in deciding on an important matter of the Company e.g. an allocation of dividend, a selection and a dismissal of a director, an appointment of auditor and an approval of important business transactions that will impact on the Company's business direction, an amendment of the Articles of Association or the Company's regulations etc..

Besides the abovementioned basic rights, the Company also encourages and facilitates shareholders to use their rights as follows:

1. The Company shall send a notice of Shareholders' Meeting together with sufficient information on each of the agenda in order that the shareholders will have the opportunity to be acknowledged in advance according to relevant law. The Company shall prepare such notice explicitly stating the venue, date and time, agenda, subject that will be proposed to the meeting. Each agenda shall be provided together with the Board of Directors' opinion and the publication of such notice shall be not less than 3 days prior to the date of meeting and shall be publicized for 3 days consecutive. The Company also publicizes such notice in the Company's website so

that the shareholders shall be able to study the information prior to the meeting.

2. The Company encourages all shareholders including institutional shareholders, the Board of Directors, management and relevant government agencies as well as an auditor to attend the Shareholders' Meeting.

3. In case that a shareholder cannot attend the meeting by him/herself, the Company allows such shareholder to appoint an independent director or any person as a proxy to attend the meeting by using a proxy form, enclosed in the notice, which enables him/her to indicate the direction of the votes.

4. The Company has established a policy, providing an opportunity to shareholders to propose their opinions, suggestions or questions in advance.

5. In the meeting, the Company provides fair opportunity for all shareholders to express their opinions and suggestions and to ask questions prior to the voting on each agenda. In the Shareholders' Meeting, the Board of Directors and management team are to be presented at the meeting to answer any questions. Questions and material recommendations shall be recorded in the minutes of meeting so that the shareholders are able to inspect.

6. The Company encourages the implementation of technology in the Shareholders' Meeting, such as shareholder registration system, vote counting and display of vote results, so that the meeting can be convened in brief, correct and precise manner.

7. In the meeting to appoint director, the Company provides an opportunity to shareholders to vote for a nominee of one whereas the shareholders are entitled to vote for their representatives of which they seems most suitable to be the director in order to protect their interests which will result in diversity and truly being the representative of the shareholders.

8. The Company encourages independent person to inspect vote counting and disclose vote results to the meeting and record such results in the minutes of meeting.

9. In an important agenda such as related person transactions, the acquisition or distribution of assets etc., the Company shall use the voting card for transparency and accountability.

10. After a meeting, the Company shall record the minutes of meeting, containing the vote process, the procedure to display vote results to the meeting prior the meeting's official commencement, the vote result of each agenda, list of directors who attend or absent from a meeting, including material issues raised in the meeting

for shareholders' review. In addition, the Company will publish the minutes of Shareholders' Meeting on the Company's website.

Section 2 The Equitable Treatment of Shareholders

The Company has a policy to treat all types of shareholders - majority shareholders, minority shareholders, shareholders vesting management position, as well as foreign shareholders - equally. The Company encourages the preparation of bilingual, Thai - English, meeting invitations and publication of such invitations on the Company's website. The Company also offers shareholders an opportunity to propose meeting agenda considered material and to nominate qualified and suitable persons for consideration of being elected as a board of directors member before the Shareholders' Meeting takes place so that the Board of Directors is able to review and prepare and adopt the proposed agenda in an Annual General Meeting of Shareholders.

The qualification of a shareholder to propose an agenda as abovementioned shall be in accordance with the provision set forth in section 89/28 of Securities and Exchange Act stipulating that a shareholder or shareholders who hold voting shares with the right to vote of not less than five percent of the total number of voting rights may submit a written proposal in order to request the Board of Directors to include such proposal as an agenda of the Shareholders' Meeting. A proposal shall include an objective and details as well as any useful information. In the nomination of a director, a shareholder is required to provide the nominated person's qualification as well as other useful information including such person's consent. Such person shall be fully qualified in accordance with Public Company Limited Act, Securities and Exchange Act and all relevant regulations of the Office of Securities and Exchange, Capital Market Supervisory Board, Stock Exchange of Thailand and the Company's Objectives as well as possesses the qualification set forth by the Company e.g. equipped with knowledges and experiences that support the Company's business operation, and be able to carry out duties of directors with fidelity, morality, ethic as well as be able to consistently join the Board of Directors' Meetings etc.

In a submission of an agenda or a nomination of the Company's director, a shareholder is required to provide the relevant information to the Company in advance as the time period set by the Company so that the Board of Directors is able to review and include such proposal to be the agenda of the Shareholders' Meeting as well as to disseminate the invitation and relevant documents to other shareholders before a meeting.

The Company, however, reserves its right to exclude the following proposals in the agenda of the meeting e.g. a proposal related to the ordinary business operation but the fact given by the shareholders does not indicate reasonable ground to suspect the irregularity of such matter, a proposal beyond the company's power to produce proposed result; a proposal the nature of which is normally obliged by law to include into an agenda and the Company has always complied with such law; a proposal not giving any benefit to the operation of the Company; a proposal the nature of which violates law, notification, regulations of any government / regulatory bodies, or against the Company's Objective, Articles of Association, a resolution of the Shareholders' Meeting or Corporate Governance Code, a proposal of which shareholder gives incomplete information or incorrect information or the Company is unable to contact such shareholder to acquire additional information, a proposal submitted to the Shareholders' Meeting for consideration within the previous twelve months and received the supporting votes of less than ten percent of the total number of the voting rights and the fact pertaining in the resubmission has not significantly changed from that of the previous Shareholders' Meeting or the Company has already performed such proposal or it is the same proposal proposed etc. This also includes the case where shareholders have not complied with relevant regulations. The Company shall notify such exclusions to its shareholders through news channel of Stock Exchange of Thailand and the Company's website

A proposal, that will be included in the agenda of the Annual General Meeting of Shareholders and/or list of person to be nominated to be the Company's director, the independent directors shall consider and present to the Board of Directors for consideration and conclusion of whether to be included in the agenda of the meeting. The opinion of the Board of Directors shall be ultimatum.

In the meeting, the Company provides fair opportunity for shareholders. Before the meeting commences, the Chairman of the meeting shall describe the exercise of voting right, the voting right required for resolution in each agenda and shall provide the session for shareholders to express their opinions and suggestions and to ask questions on each agenda with the proper amount of time. The Chairman shall conduct the meeting in accordance with agenda of meeting consecutively. The Company shall not deprive a shareholder of any right in examining the information required to be disclosed in accordance with relevant regulations and any right to attend in the shareholder's meeting e.g. the Company has a policy of not adding any agenda in the meeting without prior notification to shareholders, for example.

The Company has strictly regulated the use of inside information in order to prevent the unlawful use of such information for oneself or for third person (Abusive self-dealing) as well as to encourage the fairness to all stakeholders. For such purpose, the Company has established in writing an order which is a guideline in keeping of inside information and a guideline in prevention of Abusive Self-Dealing including setting that all directors, managements and employees shall not trade the Company's securities and/or enter into any transactions by using any confidential information and/or inside information of the Company and or of the associated companies which will cause any damages whether directly or indirectly to the Company. Moreover, all directors, managements and employees who are working for the Company and receiving inside information shall not use such information before public disclosure and all persons relating to any inside information shall be restricted in trading of the Company's securities through their self, spouses, minor children, either direct and indirect (e.g. using Nominee through private funds) within period of 1 month before the disclosure of Quarterly Financial Statements and Yearly Financial Statements.

The Company sets the disciplinary penalty for the person who violates abovementioned regulation and order or commits any disclosure causing damages to the Company according to the circumstance of a case e.g. through a verbal warning, a warning letter, a probation as well as a termination of employment etc.

The Company provides information to directors and management regarding their duties to report any changes on holding of the Company's securities and the penalty provision set forth in Securities and Exchange Act B.E. 2535 and the regulation of Stock Exchange of Thailand. In case that directors or management trade the Company's securities, they are obliged to report to the Office of Securities and Exchange Commission of such change of themselves, their spouses and their minor children in accordance with section 59 of Securities and Exchange Act B.E. 2535 within 3 working days for further public disclosure. This includes the obligation to provide the changes in securities and derivatives holding report (Form 59-2) to the Company Secretary for further report to the Board of Directors every time that there is a report of such change to the Office of Securities and Exchange Commission.

Moreover, the Company adheres to a principle to treat every shareholder equally and set the guideline to manage any conflicts of interest with transparency and accountability. **Especially, in the case where the Company has committed any related transactions with director or executive who has conflict of interest or involves in the process of making decision regarding such transactions, it is necessary to obtain the approval from Audit Committee and the Board of Directors. Any director being in conflict of interest in any issue shall be unable to vote for such issue and in case that such related transaction is required for disclosure or an approval**

from shareholders according to the regulation of Stock Exchange of Thailand, the Company shall disclose details and rationale of such transaction for shareholders' acknowledgement prior to the execution of such transaction. The disclosure shall address shareholders (1) Name and relationship of the related person (2) pricing policy (3) total value of such transaction (4) the opinion of the Board of Directors and other significant and related information of such transaction.

Section 3 The Role of Stakeholders

The Company has placed emphasis on the rights of all stakeholders, whether they are internal stakeholders e.g. shareholders, management and employees or external stakeholders e.g. creditors, customers, business partners, competitors, public sector, society and communities, etc. The Company is fully aware that supports and comments from all groups of stakeholders will benefit the Company's operations and business development. Therefore, the Company shall comply with relevant laws and regulations to ensure that the rights of the abovementioned stakeholders are well managed.

In addition, the Company's business operations consider the rights of all stakeholders in accordance with the following guidelines:

Shareholders: The Company is committed to equitable treatment of shareholders, protects the interests of shareholders and avoids committing any actions resulting in violation or depriving any rights of shareholders as well as respects the rights of shareholders to be acknowledged of the Company's disclosed information regarding an evaluation of management and the accuracy and reliability of information of the Company's financial performance in order to create growth and business value for the long term benefit of shareholders.

Customers: The Company adheres to treat customers with honesty and fairness. The Company is committed to satisfying and assuring customers by paying attention to customers' needs, serving quality and safe products that meet standard with reasonable price and terms and conditions agreed between the Company and customers. The Company consistently develops and upgrades the standard of products and services to new higher level, while maintaining good relationship with customers, as well as avoids using customers' data for the benefit of the Company and related parties.

Suppliers and creditors: The Company is aware of equality, fairness, and honesty in business operation, protecting interests of suppliers and creditors; conducting business with ethics by not requesting, accepting or paying benefits in dishonest manner. The Company has an authority handbook for approval of purchasing transactions with varied amount of value to increase business flexibility. The Company strictly complies with terms and conditions in agreements between the Company and other parties including creditors.

Competitors: The Company commits itself to fair trade competition, aware of business ethics and relevant laws regarding trade competition and adheres to the rules of fair competition. The Company shall not enter into any agreements with competitors or anyone leading to limitation of trade competition. The Company shall not destroy the reputation of competitors by accusing or defaming the competitors with no ground or act in any way that is unfair to the competition.

Public sector: The Company places emphasis on transparent business activities with government officials / agencies to avoid any acts that may incite improper actions of those parties, which lead to the violation of good corporate governance principles.

Community, Society and Environment: The Company has established a policy to support and provide proper assistances to society and communities nearby. The Company shall provide good cooperations to comply with international standard or agreements, including supervision of production process to prevent negative impacts on environment. The Company shall cooperate in reducing waste from both production processes and general usages, conserving natural resources, as well as using resources, equipment and raw materials with the most efficiency and effectiveness.

Disclosure of compliance with the policy and the report of corporate social responsibility.

The Company has disclosed business activities and innovations which support sustainable development of the Company, together with the report of social responsibility in Corporate Social Responsibility section.

Guidelines on non-infringement of intellectual property or copyright

As the Company owns various types of intellectual property due to the nature of business operations, the Company is aware of creativity of works from thinking and intelligence and considers as proprietary assets which should be protected from illegal uses. Therefore, the Company has established a policy to strictly comply with all intellectual property laws, regarding trademarks, copyrights or patents. The Company shall check and ask for permission before using of any work or information possibly owned by third parties to prevent the infringement of intellectual property and at the same time, the Company has provided employees trainings in accordance with intellectual property and the penalty resulting from intellectual property infringement. The Company also supports and encourages employees to use their knowledges in researching, developing and innovating without violation of the intellectual property of others.

Stakeholder Contact Channels: The Company provides an opportunity for the interested party to contact, share his/her opinions, make complaints and report unlawful actions as well as provide comments through various channels as follows:

Employee

- The Company has established a policy to allow employees to make any complaints, in both verbal and writing as deemed appropriate, directly through direct supervisors.
- The Company provides complaint & suggestion boxes at the office and factory which shall be supervised by the Human Resources Department. The boxes will be opened once a month to screen the subjects and present to management for further consideration. In the case of a letter to the CEO, such letter with sealed will be delivered directly to the CEO.

General Public

- Notify through Investor Relations via 02-3194949 ext. 312
E-mail: ir@sappe.com
- Notify through Company Secretary via 02-3194949 ext. 9709, 2503
E-mail: comsec@sappe.com

All suggestions will be collected, screened and reported to the top management of the Company for further solutions

Section 4 Disclosure and Transparency

The Board of Directors places the emphasis on disclosure of information that affects the decisions of investors and stakeholders including financial and general information reports in accordance with the regulations of the Office of the Securities and Exchange Commission and Stock Exchange of Thailand as well as other essential information affecting the price of the Company's securities, to be accurate, complete, timely, reliable and transparent. The Company's information has been distributed to shareholders, investors and public through various media channels such as Stock Exchange of Thailand's channel, the Company's website as well as Annual Registration Statement (Form 56-1) and Annual Report

The Company has established a guideline for good corporate governance regarding a report of the Company's securities holding that a director or executive who trade the Company's securities must report such trading information of themselves, their spouses and their minor children, according to Section 59 of Securities and Exchange Act B.E. 2535, to the Company Secretary at least 1 day before the trading day and submit the changes in securities and derivatives holding report (Form 59-2) within 3 business days after trading to the Office of the Securities and Exchange Commission for further public disclosure.

The Board of Directors is responsible for the Company's financial statements and information in the Annual Report including the preparation of management discussion and analysis (MD&A). The financial statements shall be prepared in accordance with generally accepted accounting standards in Thailand by using appropriate accounting policies and consistently practice including complete and adequate disclosure in the financial statements. In this regard,

Audit Committee will review the quality of financial reports and internal control systems including sufficient disclosure of material information in the notes of financial statements and report to the Board of Directors for acknowledgement.

The Board of Directors will oversee the disclosure of auditor's remuneration and other fees for other services provided including the disclosure of remuneration of directors and top-level management in order to reflect the duties and responsibilities of each person.

For the work of investor relations, the Company has an investor relations department responsible for disclosing financial information of the Company that is essential and important to shareholders, investors and securities analysts and related regulatory bodies, via reporting to The Stock Exchange of Thailand, the Office of Securities and Exchange Commission and the Company's website on the "Investor Relations" topic so that the interested person is able to easily study. Moreover, there are various activities to disseminate and clarify as well as provide investors the opportunity to ask questions transparently. The top-level management shall participate in the clarification as well. The participation of top-level management in the investor relations activities in 2020 can be summarized as follows:

- Four analyst meetings, whereas

The 1st meeting on 5 March 2020: 16 participators and analysis publication by 5 securities companies

The 2nd meeting on 5 June 2020 via VDO conference: analysis publication by 4 securities companies

The 3rd meeting on 1 September 2020: 16 participators and analysis publication by 5 securities companies and

The 4th meeting on 24 November 2020: 16 participators and analysis publication by 6 securities companies

Also, the Company participated an activity named "SET Opportunity Day" organized by The Stock Exchange of Thailand (not including the addressing of the year 2019 financial operation's result and each quarterly result of the year 2020 for publication via newspapers and online media)

- One press conference by inviting media to meet the Company's top-level management to launch the campaign "B'lue x Free Fire" to strengthen the Company's market position as a Vitamin Water leader with new flavor offered to the market, "B'lue Crazy Cactus". The event has been joined by 12 journalists from 10 media companies and broadcasted through 1 television station and 7 newspapers and 34 websites.

- Two Investor Roadshows organized by local leading financial institutions to meet 32 institute investors from 15 funds.

- In addition, the Company paid 6 visits to investors (including conference call), consisting of 1 visit to local individual / institutional

investors and 5 visits via conference calls. In case that top-level management were unable to attend the meeting, the Investor Relations team will be assigned to provide information to the investors.

Section 5 Responsibilities of the Company's Board of Directors

1. Structure of the Board of Directors

The Board of Directors consists of individuals who possess knowledges, skills, competencies and experiences that can provide benefit to the Company; whereas, they are important players in formulation of policy and organizational overview, business operation plan, and oversight, inspection, evaluation of the Company's operations to align with the plan as well as conducting the business to be in accordance with laws, regulations and resolutions of the Shareholders' Meeting with integrity and ethics. This includes overseeing the management to meet the set goals and guidelines to maximize the benefits of the Company and shareholders.

The structure of the Company's Board of Directors consists of independent directors not less than one-third of the directors leading to the balance of voting in consideration of various matters and there is an Audit Committee which includes at least 3 independent directors.

As of 31 December 2020, the Company's Board of Directors consists of ten members with 6 non-executive directors, five of which are independent directors, three of which are also members of Audit Committee. There are four members in charge of executive positions, including (1) Chairman of Executive Committee (2) President (3) Chief Executive Officer and (4) Chief Operating Officer; whereas, the structure of the Company's Board of Directors consists of independent directors more than one-third of the total directors providing balance of votes in consideration of various matters and reviewing the performance of management team for the best interest of the Company. The number of independent directors of the Company is in accordance with the regulations set by the Office of the Securities and Exchange Commission which stipulates that it is obliged to have independent directors at least one-third of total directors.

According to the Company's Articles of Association, it is necessary that, in every Annual General Meeting, at least one-third of directors must retire by rotation. If the number of directors cannot be divided into three parts, then, the number of directors retiring in the first year shall be closest to one-third of directors. For the second year after the Company's registration, the selection of directors retiring shall be conducted by drawing lots. For the subsequent years, the directors holding the positions for the longest shall retire. However,

the retiring directors may be nominated to retake a position.

In addition, the Company's Board of Directors has appointed Sub-Committees consisting of Audit Committee and Executive Committee in order to perform specific duties and propose matters to the Board of Directors for consideration or acknowledgment, such committees have rights and duties as specified in the authority of each sub-committee.

The Board of Directors has a policy that the Chairman of the Board of Directors and Chief Executive Officer must not be the same person for the clarity of responsibility regarding policy making, supervising and routine management.

The Company clearly separates the roles, duties and responsibilities between the Board of Directors and management team to balance the power. The Board of Directors is responsible for policy making and supervision of the work of management team in policy level, while the management team manages the company's operations in various functions to be in accordance with the specified policy.

In addition, the Board of Directors has appointed the Company Secretary to carry out duties and responsibilities under the Securities and Exchange Act.

Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors is responsible for consideration and approval of material issues regarding

the Company's operations such as vision and mission, strategy, risk, work plan and budget, as well as supervises management team to proceed in accordance with the specified policy and plan in efficient and effective manner

In year 2020, the Board of Directors considered, reviewed and approved the company's vision, mission, strategy, goals, and business direction as well as monitored and implemented the Company's strategy. In every quarterly meeting, the Board of Directors follows up the management team on the report of the Company's operations and financial performance as well as various work plans to meet the set goals.

Authority of the Board of Directors consists of:

- Approval of appointment of directors to replace the resigned directors and appointment of a Sub-Committee
- Approval of hiring, appointment, transfer, evaluation, punishment and termination of the Company's President, Chairman of Executive Committee and Chief Executive Officer
- Approval of compensation and other benefits of the President, Chairman of Executive Committee and Chief Executive Officer
- Approval of establishment of an organization, acquisition, merger, dissolution

- Approval of annual budget and quarterly financial statements
- Approval of interim dividend payment
- Approval of issuance of work regulations
- Approval of investment in new projects, buying / selling of non-financial investments, entering into credit agreements and obligations, and entertainment expenses / donations in the amount exceeding the authority of Executive Committee

Separation of Duties between Policy Establishment and Routine Management

The Board of Directors has clearly delegated authorities, duties and responsibilities to determine corporate governance policy and daily management policy.

The Chairman of the Board of Directors and the Chairman of Executive Committee are elected by the Board of Directors which are not the same persons. The Chairman of the Board of Directors plays an important role in making decisions on a corporate policy as a result of the Board of Directors' Meeting that has considered and determined business goals with management, conducting the meeting in an efficient and effective way by encouraging participation of all directors and independent expression of individual opinions, as well as being the chairman of the Shareholders' Meeting of the Company. The Chairman of the Board shall not involve in daily management but shall regularly support and advise on the business operation through the Chairman of Executive Committee, who is responsible for the Company's management under the authority assigned by the Board of Directors.

Corporate Governance Policy

The corporate governance policy has been established under the approval and regular review of the Board of Directors. The policy shall be communicated to ensure mutual understanding and to encourage everyone in the organization to follow with.

Business Ethics

The Board of Directors adheres to righteous and fair business practices. The Company has announced the implementation of ethics and codes of conduct in writing, so that all directors, management and staff have to comply with; support in complying with ethics; not neglect or ignore when witness a violation of ethics in order to show the intention of conducting business with transparency, morality, responsibility to the stakeholders and with consideration to society and the environment. The Company has prescribed guidelines on ethics in various aspects e.g. the treatment to each other, giving or receiving of gifts, conflict of interest, the Company's business transaction, transactions with the state enterprises, environment, health and safety, procurement of marketing communications, trade competition, international business operations, treatment of data and assets, political actions, and the prevention of money laundering.

In this regard, the Company has announced and informed all directors, management and employees to acknowledge and adhere strictly with such ethics including the implementation of the said guidelines.

Conflict of Interest

The Board of Directors has established a policy regarding conflicts of interest prohibiting directors, management, and employees, and those involved with such persons, from seeking personal interests in conflict with the Company's interests and they should avoid any actions that cause conflicts of interest. Moreover, persons involved or connected with the considered transactions are required to inform the Company about the relationship or connection in the said transactions and shall not participate in considering, deciding, and possessing authority to approve such transactions.

Audit Committee shall present to the Board of Directors the related transactions and transactions whose natures hold conflicts of interest which has been considered carefully and that the Company has strictly complied with the regulations of the Office of the Securities and Exchange Commission, Capital Market Supervisory Board and Stock Exchange of Thailand regarding the execution of such transactions, setting of price and conditions with whom the Company may have conflicts of interest to be the same as if executing with a third party. All transactions shall be disclosed in the Company's financial statements, Annual Report and Annual Registration Statement (Form 56-1).

The Company has prepared the report of conflict of interest of directors, management and related persons in order to use as basic information for overseeing such conflict of interest which requires directors and management to prepare the said report annually and when there is any change. The Company Secretary shall have duty in collecting and copying the said report to the Chairman of the Board of Directors and the Chairman of Audit Committee for inspection and control.

In supervision of the use of inside information, the Company has determined that the Board of Directors and the Company's executives are responsible for reporting the holdings of the Company's securities which belongs to themselves, their spouses, their minor children to the Securities and Exchange Commission within 30 days from the date of appointment as a director or executive of the Company as well as when there is any change in the holding of the securities. They are required to inform the Company and report any changes of securities holding to the Office of the Securities and Exchange Commission within 3 business days from the date of purchase, sale, transfer or acceptance of transfer in order to comply with Section 59 of Securities and Exchange Act B.E. 2535. Directors, management, or business units that have

access to inside information are prohibited from disclosing inside information to external parties or non-related persons as well as trading the Company's securities for the period of 1 month before the financial statements are publicized which is set to prevent the misuse of inside information.

Internal Control System

The Company's Board of Directors recognizes the significance of effective supervision and effective internal control, both at the management level and at operation level. Internal control system is an important mechanism to build confidence in management in terms of business risks mitigation, efficient business operation by allocating resources properly to achieve the goal, assets protection from leaks, loss or fraudulent misconduct, accurate and reliable financial reports, personnel's compliance of relevant laws and regulations, and protection of shareholders' investment. Therefore, the Company has clearly determined obligations, authority of employees and management in various matters in writing. There is a control on utilization of the Company's assets for the highest benefits, and separation of duty between business operators and supervisors with separate results evaluation for checks and balances.

The Board of Directors has assigned Audit Committee to be responsible for reviewing the proper and efficiency of the internal control system, including establishing and reviewing control systems regarding operation, financial reporting, compliances of regulations and policies, risk management, as well as giving priority on early warning sign and unusual incident.

In this regard, the Company hired a third party, P&L Corporation Co., Ltd., to be responsible for quarterly internal audits and control system for the year 2020 in order to ensure that the Company has sufficient and proper internal control systems. To make the said internal auditor be independent and be able to fully check and balance, the internal auditor will report the audit results directly to Audit Committee.

The Company regularly monitors and evaluates the results. The adequacy of the internal control system will be assessed at least once a year to ensure that the implemented system can be operated efficiently.

In 2020, the Company received the Corporate Governance Report of Thai Listed Companies (CGR) assessment from the Thai Institute of Directors (IOD), with an average score of 86%, equivalent to 4 stars which was significant improvement from previous year at 3 stars and higher than an average score of peers (692 companies in total) listed in SET. This is shown as the determination to be a good corporate governance company.

In addition, 2020 was the first year the Company received full AGM checklist score, evaluated by Thai Investors Association. This has shown that the Company has placed importance on Annual General Shareholders' Meeting arrangement and improved its quality constantly.

Report of the Board of Directors

The Board of Directors is responsible for the company's financial statements and in doing so, the Board of Directors assigns Audit Committee to review financial reports and oversee the quality and accuracy of financial reports in accordance with generally accepted accounting standards as well as disclose the Company's significant information transparently and sufficiently by having the accounting department and / or the auditor to meet each other and to present financial reports to the Board of Directors in every quarter of the year. The Board of Directors is responsible for the financial statements of the Company including financial information (Report of the Company's Board of Directors' Responsibility for Financial Reports) and the Management Discussion and Analysis (MD&A) that appears in the annual report. The said financial statements were prepared in accordance with generally accepted accounting standards and audited by KPMG Phoomchai Audit Co., Ltd., the Company's auditor. Disclosure of important information, both financial and non-financial is performed on basis of completeness and consistency of facts.

The Meeting of the Board of Directors

The Company has regularly held a meeting of the Board of Directors in every 3 months and may hold special meetings as necessary, with clear meeting agenda in advance together with follow-up agenda regarding business operations. In order to hold the meeting of the Board of Directors, the Chairman or the assigned person shall send a meeting notice to the directors not less than 7 days prior to the meeting date, except in case of urgent and necessary to protect the rights or benefits of the Company, the meeting invitation may be informed by other methods and the meeting date may be earlier. Company Secretary is appointed to prepare the minutes of meeting and send the said minutes to the directors as well as systematically store such approved minutes and keep it ready for future verification by the Board of Directors and related parties.

At the meeting, the Chairman shall be entitled to determine the meeting's agenda and to consider the matters to be included in a meeting's agenda by providing opportunity to each director to propose any matter for consideration to be included in the meeting's agenda.

In consideration of any matter, the Chairman of the Board of Directors who acts as the chairman of the meeting, shall allow directors to freely express opinions. In some agenda, top-level management might attend the meeting to provide details and

useful information as well as to acknowledge the policy directly for effective implementation. In the resolution of the Board of Directors' meeting, the majority votes, in which one director has one vote; while directors vesting conflict of interests shall not attend the meeting and/or not exercise his/her voting rights on that matter. If the votes are equal, the chairman of the meeting will have an additional vote as the casting vote.

In addition, the Chairman plays an important role in making decisions on a corporate policy as a result of the Company's Board of Directors' meetings that has considered and has determined business goals with management including giving advice on business operations through the Chief Executive Officer on a regular basis without intrusive in the routine work which is the responsibility of executive. The Chairman acts as a leader of the Board of Directors in monitoring the performances of the Board of Directors, sub-committees and individual director to achieve the objectives in accordance with the business plan.

The Chairman is also the leader to conduct the meeting in an efficient and effective way, according to the meeting agenda, the Company's Articles of Association and relevant laws, to summarize the resolutions of the meeting and actions required as well as to support and be a role model to act in compliance with good corporate governance and business ethics.

Director has right to examine meeting documents and other significant supporting documents. If independent directors or Audit Committee have any questions, other directors and management shall respond such queries as rapidly and completely as possible.

In the event the directors disagree with the resolution of the meeting, such directors can request the Company Secretary to record the objections in the minutes of the meeting or submit an objection letter to the Chairman.

At each of the Board of Directors' Meeting, the Company Secretary shall also participate in the meeting to record minutes of meeting and submit to the Chairman for consideration and signing to certify the accuracy and propose such minutes to the Board of Directors in the next meeting for approval.

The Company Secretary shall also be responsible for keeping of any text or document regarding the meetings for

convenience of referencing and searching. Normally, the Company's directors will attend every meeting by himself / herself except for necessary reasons which will be informed in advance. In addition, the Board of Directors has a policy that non-executive directors, without participation of management team, are able to meet among themselves as necessary to discuss any issues regarding business management that is of interest and inform the Chairman the meeting results.

Remuneration

The Company has a policy to compensate directors and management at proper level by adhering to the principles of justice for both the Company and the individual, considering the Company's operating performance and the consistency with the same business / industry. Incentives can be created for work motivation and maintenance of good standards, suitable for the duties and responsibilities of individual director and executive. Remuneration for the directors, including independent directors and Audit Committee members, shall be approved by the Shareholders' Meeting of the Company

For the remuneration of the Chief Executive Officer ("CEO"), the Board of Directors will review and approve the criteria of CEO's performance evaluation and of annual remuneration, as well as consider and approve the payment of annual remuneration in order to compensate for the work contributed to the Company and such contributions meet criteria set by the Board of Directors. The evaluation criteria are based on the key performance indicators, both financial and non-financial indicators e.g. the improvement of corporate governance to cover all aspects and align with the Thai Institute of Director' standards, the increase of employee engagement score to encourage sense of ownership in the organization and grow the Company sustainably in the long-term.

The Company carefully considers the payment of remuneration to the executives at proper and competitive rate, comparing with the same business / industry, to retain qualified executives. The remuneration is considered regarding assignment of duties and responsibilities as well.

Development of Directors and Management

The Board of Directors has a policy to promote and facilitate training and education for directors and management who have involved in the corporate governance system for continuous operational improvements. In the case of changes of director or new directors, the management will provide those directors documents and information regarding business operations and guidelines, which is beneficial to the performance of such directors. The Company Secretary shall regularly report to the Board of Directors, Sub-Committee and management regarding any changes in laws and regulations.

Due to COVID-19 pandemic, which resulted to the changes in training formats by various institutions and organizations, consequently impacted on the Company's training plans designed originally. Therefore, in 2020, no directors attended any training courses or seminars. The Company is aware of these changes and will adjust the training plans more effectively for the consequent years.

2. Sub-Committee

The Board of Directors has appointed committees with expertises in various fields in order to help study and scrutinize work in the scope responsible by sub-committee and clearly established qualifications, terms of office and the scope of duties and responsibilities of the sub-committees in the charter. The members of Audit Committee shall consist of all independent directors. Sub-committee will report its meeting results to the Board of Directors meeting regularly for acknowledgment. At present, the Company has two sub-committees consisting of (1) Audit Committee and (2) Executive Committee

3. Nomination of Directors and Management

• Board of Directors

As the Company does not have a Nomination and Remuneration Committee, to select suitable people for directors or management position, the Company has a selection process by having major shareholders and / or representatives of each group of major shareholders, the experts in relevant fields, directors, independent directors, and management of the Company to jointly propose a list of persons who possess qualifications, skills and experiences required for the business operations with criteria as follows:

- 1) A director must have knowledges and experiences beneficial to the business. Integrity and ethics in conducting business with sufficient time to devote his/her ability and knowledge for the Company.
- 2) A director shall not possess characteristics prohibited by Public Limited Companies Act and the regulations of The Securities and Stock Exchange, including any characteristics indicating a lack of appropriateness to be entrusted with management of a public-owned business as specified by Securities and Exchange Commission.
- 3) A director is forbidden to conduct a business with the same nature and in competition with the Company's business or becomes a partnership, director in other juristic persons of the same nature and in competition with the Company's business, whether for his/her own benefit or for other persons' benefits unless he/she notifies to the Shareholders' Meeting before a resolution regarding his/her appointment is obtained.
- 4) A director shall inform the Company without delay if there is any direct or indirect conflicts of interest arising from entering into contracts by the Company, or there is any increase or decrease in his/her holding of shares, debentures of the Company or its affiliates.

The selection and appointment of directors shall be in accordance with the procedures specified in the Company's Articles of Association and the appointment of directors must be obtained

an approval from the Shareholders' Meeting. The resolution of the Shareholders' Meeting shall require the majority votes of the shareholders who attend the meeting and have the right to vote.

1) The Shareholders' Meeting shall elect the Company's Board of Directors, comprising of at least five directors to be responsible for the entire business management with authorities to carry out duties within the scope of laws, Company's objectives and Articles of Association, and resolution of General Meeting of Shareholders, as well as authorities to perform any actions specified in the Memorandum of Association or related to the said. The directors may or may not be the shareholders of the Company.

2) Not less than half of the total number of directors shall reside in the Kingdom of Thailand and all of them shall possess qualifications with no characteristics forbidden by law.

3) The Shareholders' Meeting shall elect the directors in accordance with the following rules and procedures.

- (1) Each shareholder has a vote equal to one share per one vote.
- (2) The shareholders may exercise right to select only one person or many persons to be director(s) but not greater than the total number of directors being elected at that time
- (3) In the event the shareholders exercise right to select more than one person to be director, voting right for each selected person is equal to the number of votes possessed by the shareholders. In this regard, allocation of votes in favor for a specific person is not allowed.
- (4) The persons obtaining the highest votes in descending order shall be elected as directors but total number of directors shall not exceed the total number of directors required at that time, otherwise the Chairman of the meeting shall cast the vote to determine the total number.

4) At every Annual General Meeting of Shareholders, one-third of total directors shall retire by rotation. If the number of directors cannot be divided into three parts, the number of directors retiring in the first year shall be closest to one-third of directors. For the second year after the Company's registration, the selection of directors retiring shall be conducted by drawing lots. For the subsequent years, the directors holding the positions for the longest shall retire. However, the retiring directors may be re-elected.

5) Any director who resigns from the position shall submit a resignation letter to the Company. The resignation shall be in effect on the date when the resignation letter is delivered to the Company. The director resigning under paragraph one may also notify his/her resignation to the registrar.

6) In the case that position of director is vacant for other reasons than an expiration of service term, the Board of Directors shall select

a qualified person whose characteristics are not forbidden by law for a replacement and such person shall perform his/her duty in the next meeting. Unless the remaining service term of replaced director is less than two months, the elected person shall hold the position only for the remaining service term of such director.

The resolution of the Board of Directors' Meeting under paragraph one shall consist of votes not less than three-fourth of the remaining number of directors.

7) In the case that position of the director becomes vacant resulting to the total number of remaining directors becomes less than the quorum, the remaining directors shall call a Shareholders' Meeting for an election of directors to fill the vacant positions within one month from the date the number of remaining directors becomes less than the quorum. The person who is appointed as a new director shall be in the position for the remaining service term of the replaced director.

8) The Shareholders' Meeting may pass a resolution to dismiss any director prior to expiration of their service terms by a vote of not less than three-fourth of the total number of shareholders and proxies (if any) who attend the meeting, with total number of shares not less than half of the total voting shares held by shareholders and proxies (if any).

• Independent Director

The Company has defined the composition of the Board of Directors to include independent directors at least one-third of the total number of directors.

The Board of Directors or the Shareholders' Meeting (as the case may be) shall appoint independent directors to join the Board of Directors. The Company has policy to appoint independent directors at least one-third of the total number of directors, or at least three independent directors.

The criteria for selecting and nominating independent directors are based on those for the nomination of directors. An independent director shall have the required qualifications and no prohibited characteristics, pursuant to the Public Limited Companies Act, and the Securities and Exchange Act, as well as other relevant notifications, stipulations and/or regulations. The independent director shall have capabilities, specialized expertise, work experience and other required qualifications. Nominations of qualified candidates shall be submitted to the Shareholders' Meeting for election and appointment as directors. In case of any independent director vacating office before retiring by rotation, the Board of Directors may appoint a new independent director with the required qualifications as a replacement. The replacing independent director shall hold office only for the remaining term of office of the independent director whom he has replaced.

Qualifications of an independent director shall be as follows:

1. Holding not more than 1% of the total shares with voting rights of the Company, or its principal company, subsidiary company, associated company, major shareholder, or controlling person of the Company, which shall be inclusive of the shares held by any related person thereof;
2. Neither being nor having been an executive director, an employee, a staff member, an adviser who receives a regular salary, or a controlling person of the Company, or its subsidiary company, associated company, subsidiary company at the same level, major shareholder or controlling person of the Company unless the foregoing status has ended for no less than 2 years before the independent director assumes the post of Audit Committee member;
3. Not being a person related by blood or registration under law, such as father, mother, spouse, sibling, or child, including the spouse of a child, of an executive, major shareholder, controlling person or person to be nominated as an executive or a controlling person of the Company or its subsidiary company;
4. Neither holding nor having held a business relationship with the Company, or its principal company, subsidiary company, associated company, major shareholder or controlling person in a manner which may interfere with his/her independent judgment; and neither being nor having been a substantial shareholder or a controlling person of any person having a business relationship with the Company, or its principal company, subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for no less than 2 years before the independent director is appointed as an Audit Committee member;
5. Neither being nor having been an auditor of the Company, or its principal company, subsidiary company, associated company, major shareholder or controlling person; and not being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, principal company, subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for no less than 2 years before the independent director is appointed as an Audit Committee member;
6. Neither being nor having been any professional service provider including legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, or its principal company, subsidiary company, associated company, major shareholder or controlling person; and not being a substantial shareholder, controlling person or partner of the professional service provider, unless the foregoing relationship has ended for no less than 2 years before the independent director is appointed as Audit Committee member;

7. Not being a director who has been appointed as a representative of a director of the Company, major shareholder, or shareholder related to the major shareholder of the Company;

8. Not undertaking any business the nature of which is the same as that of the Company or subsidiary company and which, in any material respect, is competitive with the business of the Company or subsidiary company or not being a substantial partner in the partnership, a director who is involved in management, an employee, a staff member, an adviser who receives a regular salary, or a shareholder holding more than 1% of the total shares with voting rights of a company undertaking any business the nature of which is the same as that of the Company or subsidiary company;

9. Not having any characteristics that prohibit the expression of independent opinion towards the Company's business undertakings.

The independent directors will inspect and certify their independences at least once a year, which will be announced with a report of directors' profiles at year end in the Annual Registration Statement (Form 56-1) and the Annual Report.

Business Relationships or Professional Services of Independent Directors in the Past Accounting Period

-None-

• **Audit Committee**

The Board of Directors or the Shareholders' Meeting (as the case may be) shall appoint at least three members to perform as the Company's Audit Committee. Each member must be an independent director and not a director assigned by the Board of Directors to make decisions regarding business operations of the company, parent company, subsidiary company, associated company, same-level subsidiary company, majority shareholder or the controlling person of the Company, as well as not a director of the parent company, subsidiary company, or same-level subsidiary company that is a listed company. Audit Committee shall perform its duties as specified in Stock Exchange of Thailand Notification regarding the Audit Committee's qualifications and scope of responsibilities.

In this regard, at least one Audit Committee member shall possess sufficient knowledges and experiences to review the accuracy and reliability of financial statements.

• **Executive Committee**

The Board of Directors shall appoint Executive Committee whose members shall be selected from the directors, management, or senior employees who are capable of managing the matters regarding normal business operations, establishing the Company's policies, business plans, budgets, administrative structures, as well as examining and monitoring the Company's operations to be in accordance with the policies established by the Board of Directors.

• Management

The Company has established a policy to recruit management by selecting people with knowledges, skill set and experiences relevant to the business. The selection shall be in accordance with the regulations of Human Resources management and be approved by the Board of Directors or by the person assigned by the Board of Directors.

The selection of top-level management positions will be considered by individual knowledges, skill set and experiences relevant to the business. The appointment of an internal audit and control supervisor / executive shall primarily pass a consideration from the Audit Committee.

4. Performance Evaluation of the Board of Directors, Audit Committee, Executive Committee and Top-level Management

4.1 Evaluation of the Board of Directors' Performance

As the Company has defined in the charter of the Board of Directors that the Board of Directors shall evaluate its performance on an annual basis which is an evaluation of the entire board. The Company will distribute a self-assessment form to each director to review performance as a director and to indicate challenges in the previous year. The score and opinions of the directors will be a reflection tool for the Company's management team to improve and increase the efficiency of the Board of Directors' Meetings. It is also used to improve the performance of the Board of Directors to be the most effective.

Assessment of the Board of Directors' performance in the year 2020 has been divided into 2 categories, 1) Entire board assessment and 2) Individual self-assessment, with details as follows:

4.1.1 Entire board assessment: there are 4 categories of assessment, (1) The structure and qualifications of the Board of Directors (2) The roles and responsibilities of the Board of Directors (3) The meetings of the Board of Directors and (4) The performance of the Board of Directors. The Board of Directors shall first consider and approve the said evaluation form. The result of the assessment shall be presented to the Board of Directors for acknowledgement and shall be disclosed in annual report. The recommendations from the performance appraisal will be used further to improve efficiency of work.

Regarding the 2020 assessment form, the weight of each category is divided into 6 levels as follows:

- 5 means: Most agree or Proceed that matter excellently
- 4 means: Strongly agree or Proceed that matter well
- 3 means: Moderately agree or Proceed that matter moderately
- 2 means: Less agree or Proceed that matter less
- 1 means: Least agree or Proceed that matter the least
- 0 means: No or No action proceeded

The evaluation results for each category are as follows:

1. The structure and qualifications of the Board of Directors: Average score of 4.48 points
2. The roles and responsibilities of the Board of Directors: Average score of 4.40 points.
3. The meetings of the Board of Directors: Average score of 4.55 points
4. The performance of the Board of Directors: Average score of 4.60 points

The overall average score of 4 categories was 4.51 points.

4.1.2 Individual self-assessment: there are 3 categories of assessment, (1) The structure and qualifications of the Board of Directors (2) The meeting of the Board of Directors and (3) The roles, duties and responsibilities of the Board of Directors. The result of the assessment shall be presented to the Board of Directors for acknowledgement and shall be disclosed in annual report. The recommendations from the performance appraisal will be used further to improve efficiency of work.

Regarding the 2020 assessment form, the weight of each category is divided into 6 levels as follows:

- 5 means: Most agree or Proceed that matter excellently
- 4 means: Strongly agree or Proceed that matter well
- 3 means: Moderately agree or Proceed that matter moderately
- 2 means: Less agree or Proceed that matter less
- 1 means: Least agree or Proceed that matter the least
- 0 means: No or No action proceeded

The evaluation results for each category are as follows:

1. The structure and qualifications of the Board of Directors: An average score of 4.40 points
 2. The meeting of the Board of Directors: An average score of 4.58 points
 3. The roles, duties and responsibilities of the Board of Directors: An average score of 4.44 points
- The overall average score of 3 categories was 4.47 points.

4.2 Evaluation of Audit Committee's Performance

As specified in Audit Committee charter that Audit Committee evaluation process should be formally established to ensure that the work of Audit Committee is efficient and achieves its objectives.

The Board of Directors has evaluated the performance of Audit Committee on an annual basis. In the year 2020, Audit Committee's performance was evaluated in 4 categories, (1) Qualifications and independence of Audit Committee (2) The duties and responsibilities of Audit Committee (3) The meetings of Audit Committee and (4) the receipt of information from the Company and the trainings. In addition, the Audit Committee will first consider and approve the said evaluation form. The result of the assessment shall be

presented to Audit Committee and the Board of Directors meetings for acknowledgment and disclosed in the annual report. The recommendations from the performance appraisal will be used further to improve efficiency of work.

Regarding the 2020 assessment form, the weight of each category is divided into 6 levels as follows:

- 5 means: Most agree or Proceed that matter excellently
- 4 means: Strongly agree or Proceed that matter well
- 3 means: Moderately agree or Proceed that matter moderately
- 2 means: Less agree or Proceed that matter less
- 1 means: Least agree or Proceed that matter the least
- 0 means: No or No action proceeded

The evaluation results for each category are as follows:

1. Qualifications and independence of Audit Committee: An average score of 5.00 points
2. Duties and responsibilities of Audit Committee: An average score of 4.71 points
3. The meetings of Audit Committee: An average score of 4.93 points
4. Receiving information from the Company and trainings: An average score of 4.17 points

The overall average score of 4 categories was 4.70 points.

4.3 Evaluation of Executive Committee's performance

As the Board of Directors foresees that the Company should evaluate every sub-committee equally and stipulates that Executive Committee shall evaluate its performance on an annual basis by evaluating the performance of the entire board of executive committee with the objective to review individual performance as an executive director, indicate the challenges in the previous year as well as analyze whether business operations are in accordance with the guidelines provided by the Board of Directors. The score and opinions of the executive directors will be a reflection tool for the Company's management team to improve and increase the efficiency of meetings. It is also used to improve the performance of the Executive Committee to be the most effective.

In the year 2020, Executive Committee's performance was evaluated in 4 categories, (1) The structure and qualifications of Executive Committee (2) The roles and responsibilities of Executive Committee (3) The meetings of Executive Committee and (4) Performance of Executive Committee member. The meeting of Executive Committee will consider and approve the said evaluation form. The evaluation result will be presented to Executive committee and to the Company's Board of Directors meetings for acknowledgment and disclosed in the Annual Report. The recommendations from the performance appraisal will be used further to improve efficiency of work.

Assessment forms in the year 2020, the weight of each topic of the assessment is divided into 6 levels as follows:

- 5 means: Most agree or Proceed that matter excellently
- 4 means: Strongly agree or Proceed that matter well
- 3 means: Moderately agree or Proceed that matter moderately
- 2 means: Less agree or Proceed that matter less
- 1 means: Least agree or Proceed that matter the least
- 0 means: No or No action proceeded

The evaluation results for each category are as follows:

1. The structure and qualifications of Executive Committee: An average score of 4.50 points
 2. The roles and responsibilities of the Executive Committee: An average score of 4.57 points
 3. The meetings of Executive Committee: An average score of 4.55 points
 4. Performance of Executive Committee member: An average score of 4.50 points
- The overall average score of 4 categories was 4.53 points.

4.4 Evaluation of Top-level management's Performance

The Company's Board of Directors requires the performance evaluation of the Chairman of Executive Committee, the President and the Chief Executive Officer. The Board of Directors evaluates the performance of the Chairman of Executive Committee, the President and the Chief Executive Officer in accordance with the evaluation criteria. The performance evaluation form shall be approved by the Board of Directors in order to monitor whether the performances of the Chairman of Executive Committee, the President and the Chief Executive Officer are in accordance with the Company's short and long term goals. The evaluation helps to determine remuneration of the Chairman of Executive Committee, the President and the Chief Executive to be transparent and suitable for each individual performance and also strengthen the corporate governance of the Company. The recommendations from the performance appraisal will be used further to improve efficiency of work.

5. Supervision of Operations of Subsidiaries

For supervision of the subsidiaries' operations, the Company has closely monitored and followed up the subsidiary's operations so that the goals can be achieved as follows:

5.1 Supervision of Subsidiaries

- **Sappe Europe s.r.o.** : Due to the legal restrictions in Slovakia requiring that the directors who hold office be domiciled in Slovakia, therefore, causing the difficulty in practical way to appoint a representative from the Company to be a director in Sappe Europe s.r.o and not in accordance with the policy of controlling and overseeing subsidiaries and associates. Therefore, the Company's Board of Directors' Meeting has approved the board's

charter indicating that material issues such as appointment of directors, capital increase, merger, liquidation, dividend payment, amendments the company regulations etc. are required the approval from the Shareholders' Meeting and established the Table of Authority for the Sappe Europe s.r.o. in order that the Company can use as a measure for supervision.

- **Sappe Holding (Thailand) co., Ltd.:** The Company's Board of Directors has appointed Mr. Adisak Ruckariyaphong, Ms. Piyajit Ruckariyapong, and Mr. Arnupap Ruckariyapong as the directors of the company, so that the management of the whole group is in the same direction.

- **Sappe Trading (Hong Kong) Company Limited and Sappe Hong Kong Company Limited:** The Board of Directors of Sappe Holding (Thailand) Company Limited has appointed Mr. Adisak Ruckariyaphong, Ms. Piyajit Ruckariyapong and Mr. Arnupap Ruckariyapong as the directors of the company so that the management of the whole group is in the same direction.

- **Sappe Trading (Shanghai) Company Limited:** The Board of Directors of Sappe Hong Kong Company Limited has appointed Ms. Piyajit Ruckariyapong as a director of the company so that the management of the whole group is in the same direction.

- **All Coco Group Co., Ltd.:** The Company's Board of Directors has appointed Mr. Adisak Ruckariyaphong, Ms. Piyajit Ruckariyapong, and Mr. Arnupap Ruckariyapong as the directors so that the management of the whole group is in the same direction.

- **All Coco Co., Ltd. and K Best Farm Co., Ltd.:** The Company's top-level management has been assigned to oversee financial management and to follow up business operations to be in accordance with the plan.

5.2 Disclosure of financial status and operating results

The Company's subsidiaries are responsible for submitting quarterly and annual financial statements to the Company to propose to the Company's Board of Directors for approval before public disclosure. The Company's auditor performs the inspection of operation, documents or assets at the subsidiaries' offices and warehouses and can request subsidiaries for additional documents. The Shareholders' Meeting considers appointing the auditors and fixing annual remuneration of Sappe Europe s.r.o., Sappe Holding (Thailand) Company Limited and indirect subsidiaries.

5.3 Transactions with Related Parties

All related transactions between the Company and its subsidiaries shall be in accordance with the Securities and Exchange Act, announcement of the Capital Market Supervisory Board, announcement of Stock Exchange of Thailand and other relevant announcements. The Company reports value and details of connected transactions with its subsidiaries to the Board of Directors on a quarterly basis after passing the consideration of Audit Committee.

5.4 Acquisition or Disposition of Assets

In the event a subsidiary company buys or sells any assets, it is required an approval from the Company's management or the Board of Directors or the Shareholders' Meeting of such subsidiary (as the case may be). If the value of transaction is material, the Company shall comply with the regulations of Securities and Exchange, announcement of the Capital Market Supervisory Board, announcement of Stock Exchange of Thailand and other relevant announcements.

6. Supervision of the use of inside information

The Company conducts business under the principles of good corporate governance of Stock Exchange of Thailand and places emphasis on the supervision of the use of inside information to be in accordance with the principles of good corporate governance. By adhering to these principles and ensuring the confidence of investors to receive equitable, timely and reliable information, the Company has established a policy of confidentiality, data protection and the use of inside information that all personnel shall be informed and follow procedures of confidential information protection. To prevent the disclosure of information and to identify the type of confidential information, the confidential documents and information must be managed and protected with specific methods accessible by both data creators and users.

In addition, the Company places great emphasis on safeguard of customer and business information to be confidential. It is prohibited to disclose such confidential information to customers, employees and outsiders. In case that is necessary to disclose confidential information to the public, approval must be obtained from the Chairman of Executive Committee and Chief Executive Officer. This prohibition shall include trading, transfer or acceptance of transfer of the Company's securities by using confidential information and / or inside information and / or enter into any other juristic acts using confidential information / or inside information of the Company which causes damage to the Company either directly or indirectly.

The Company's directors, management and employees who receive inside information shall be prohibited from trading of the Company's securities in a specified period, which has been complied since the second quarter of year 2014 (or the first quarterly financial statement report since the Company was listed on the Stock Exchange of Thailand). The Company Secretary and the Human Resources Department shall notify those directors, management, and employees receiving inside information in advance to be aware of such prohibition period for trading of the Company's securities. This shall include the prohibition of trading of the company's securities by oneself, spouses, minor children, whether it is direct or indirect trading (such as nominee or holding of securities through private funds) during the period when the Company is about to disclose significant information that may affect the Company's share price such as 1 month prior to the date of disclosure of financial statements or operating results until 1 day after the date that the Company has disclosed financial statements or operating results to Stock Exchange of Thailand to ensure that such information be disclosed to the public first. With this regard, the Company has established disciplinary penalty for those seeking benefits from the use or disclosure of the inside information causing damages to the Company, which may be penalized as required by law or by the Company through verbal warning, warning letter, probation, or termination of employment as the case may be.

Simultaneously, the Company has monitored and studied rules, regulations and relevant laws and informed the changes (if any) to its directors and management to strictly perform duties in accordance with changing rules, regulations and relevant laws.

7. Audit Fee and other services

7.1 Audit Fee

The Company and its subsidiaries paid audit fees for the year 2020 in the total amount of 3,464,700 baht, divided into the audit fees of the Company in the amount of 2,070,000 baht and of the subsidiaries in the amount of 1,394,700 baht.

7.2 Non-Audit Fee

- None -

“ We Better People’s Lives Through
Our Innovative Spirit ”

Community and society are our families.

As we believe that community and society are our family and part of our business growth, we never stop developing our communities and move forward sustainably together.

For over 3 years, we continue to take a journey with the community with the **“Wan Wan Wan”** project, focusing on generating income for the community. Starting with the management of the farmers’ areas in the communities surrounding Lam Luk Ka District, Pathum Thani Province, and nearby areas around the factory to make the most of their own use and can also generate additional income for the household. We help project members by promoting breeding, cultivation, care as well as harvest and seek development methods to promote Thai agricultural products with fair prices to be able to compete with global agricultural products.

Another project, **“Knowledge to the Community”** has been initiated by promoting Aloe Vera plantation and adding value to the remaining unused aloe vera by processing aloe vera alcohol gel product for the community. We help to produce a standardized alcohol gel to ensure the product can be sold in the market with quality. During the past COVID-19 situation, alcohol gels have played significant role to overcome the crisis as it helps generate income to many communities. In 2020, we also shared the community knowledge of how to make soap from natural fat mixed with aloe vera so that the enterprise group can expand the product from aloe vera as a product of the community, which is another option for the product processing of the community enterprise group.

SAPPE has always believed that allowing creativity to blossom is one of the fun things we have always been doing as the saying goes “Innovate to grow, do it with fun”, becoming what we hold on to. So, when the opportunity presents itself, we do not hesitate to pass on that fun to the society.

We also promote children’s development with the **BBL (Brain-Based Learning) playground** or brain-based learning theory. It is a learning approach to align with the brain function of each child and age with

appropriate stimulation. The researchers found that the human brain can work and develop simultaneously in all 8 aspects in a linkage distribution when the brain is encouraged to learn to its fullest. The children aged 2 - 6 will learn through play, therefore, being the principle of how we work together to build a BBL playground at Ban Tham Nop School, Ong Rak District, Nakhon Nayok Province.

We believe that a great education and supportive environment are driving forces for creativity in youth, becoming a **“Leader in Me”** project initiative promoted in the Ruamjit Prasat School, Lam Luk Ka District, Pathumthani Province. This project focuses on giving children the opportunity to unleash their potential with 7 habits approach to build proper environment for their expression and creativity. As a result, in 2020, we expanded this project to Phumtawan Witthaya Foundation School, Lam Luk Ka District, Pathum Thani Province.

We continue to encourage our SAPPE players to give and share by continuing **“90 days you burn, we give”** project for the third year. Even though we encountered the COVID-19 pandemic in 2020, it is not an excuse stopping us to continue this project. We adapted activity to suit the situation by donating things highly needed such as face masks and PPE suits distributed to all 4 hospitals as follows:

1. HRH Princess Maha Chakri Sirindhorn Medical Center, Faculty of Medicine, Srinakharinwirot University
2. Thammasat Chaloem Phra Kiat Hospital
3. Chula Hospital
4. Ramathibodi Chakri Naruebodindra Hospital

To take care of healthcare staff to prevent the spread of Covid-19, we initiated **“Food for Fighters”** project to deliver food and Sappe healthy drinks to 7 places as follows, so these people perform duties to the fullest:

1. Thammasat Chaloem Phra Kiat Hospital
2. Phramongkutklao Hospital
3. Ramathibodi Chakri Naruebodindra Hospital
4. D-Luxx Dormitory, Thammasat University’s Rangsit campus (Field Hospital)
5. Bangplee Hospital, Samut Prakan
6. Public Health, Bannang Sata District, Yala Province
7. Pakchong Nana Hospital

We work together with the **“Send Plastic Home”** Project to recycle or upcycle plastic to be reused, encouraging us to learn and to help manage the waste in our organization.

Anti-corruption Policy

The company has a policy to specify appropriate responsibilities, guidelines and operating regulations, to prevent corruption in all business activities of the Company, and to allow decisions and operations of the business that may be at risk of corruption to be considered and practiced prudently. The Company has therefore reviewed and updated the anti-corruption policy to be the clearer guideline for operations and developments of business into the organization of sustainability.

1. Definition

Corruption means all forms of bribery in order to present, commit, give, claim, accept assets or money, or persuade people, those with duties in government agencies, private sectors, business partners, etc., to do anything that is illegal or against good morals, including other inappropriate benefits. The corruption also includes using positions or information received from operations to act in a manner that will benefit one's own, companions, and other people for their actions or omissions which will bring about inappropriate benefits from business, except in the case that laws, regulations, announcements, regulations, customs and traditions or conservative trade allow to do.

2. Roles and Responsibilities

2.1 The Board of Directors supervises the establishment of clear anti-corruption policies and guidelines and the communication to all levels of the organization and to outsiders for putting into practice.

2.2 The Audit Committee is responsible for reviewing financial and accounting reports, internal control and audit systems, and risk management to be sufficient and appropriate for efficiency and effectiveness in accordance with relevant standards and reporting those results to the Board of Directors.

2.3 The Risk Management Working Group is responsible for conducting risk assessments related to corruption as well as establishing measures and guidelines to prevent risks from corruption including tracking and reporting to the Audit Committee and the Board of Directors.

2.4 The management is responsible for bringing the anti-corruption policy into practice and communicating to all relevant parties, promoting and supporting policies to raise awareness against anti-corruption, and reviewing the suitability of various systems and measures to be consistent with changes, regulations, and legal requirements of the business regularly.

2.5 Directors, executives, employees, and subsidiaries have to understand and comply with the anti-corruption policy

3. Guidelines for Compliance with the Anti-Corruption Policy

The anti-corruption policy covers all activities that the Company operates. The directors, executives, employees, and subsidiaries have to comply with the anti-corruption policy and guidelines as follows:

3.1 No directors, executives, employees, and subsidiaries of the Company are allowed to request, proceed, or accept any forms of corruption, either directly or indirectly, from all departments involved.

3.2 Employees should not neglect or ignore when seeing actions that are considered a corruption in relation to the Company. They must notify the supervisor or the person in charge and cooperate in the investigation of various facts. If there are any doubts or questions, consult with the supervisor or a person in charge of following up compliance with the Company's code of ethics through various channels specified.

3.3 The Company will provide fairness and protection for employees who refuse or report a corruption related to the Company in accordance with the policy established.

3.4 Person who commits corruption are against the Company's code of ethics. She/he must be therefore considered for disciplinary action in accordance with the regulations set by the Company. In addition, she/he may be punished by law if his/her act is illegal.

3.5 The Company recognizes the importance of disseminating, educating and understanding other people performing duties related to the Company or possibly affecting it in matters of compliance with the anti-corruption policy. In this regard, the Company will communicate and publicize both inside and outside the organization to strengthen and support knowledge, understanding, and cooperation to stop those wanting to commit corruption through various and appropriate channels, such as new employee orientation, intranet, posts on the Company's publicity signs, subsidiaries, website, annual report, circulars, etc.

3.6 The Company will establish a clear operational process. There will be a corruption risk assessment and a follow-up and review process on a regular basis to be in line with business changes and relevant laws.

3.7 The Company has set up a human resource management process reflecting the Company's commitment to anti-corruption measures since selection, training, performance evaluation, compensation and promotion.

3.8 Anyone who witnesses non-compliance with anti-corruption policy and measures have to report the issue urgently.

3.9 The Company is committed to creating and maintaining the organizational culture in which a corruption is unacceptable, whether it is a transaction with government and private sectors

4. Channels for Reporting Clues and Protection

Personnel of the Company must not neglect or ignore any actions that may violate the anti-corruption policy. The Company provides the channels for complaints and protection measures in accordance with the protection policy for an employee who provides information regarding fraud.

5. Investigations and Penalties

When receiving clues, the person in charge will conduct the investigation or may assign a person or a department or a working group as a moderator to do it. If the investigation reveals that the information or evidence is reasonable to believe that the accused has committed a corruption, the Company will give the rights of the accused to be informed of the allegations and to prove himself or herself by seeking additional information or evidence showing that s/he is not involved in the alleged fraud. If the accused actually commits a corruption, she/he; whether directors, executives, or employees; who is considered to be violations of the Company's anti-corruption policy will have to be considered disciplinary punishment in accordance with the regulations set by the Company. And if such corruption is against the law, the offender may be subject to legal punishment. However, the disciplinary action according to the Company's regulations, decisions of individual, department or a working group that is responsible for inspecting is considered final.

The company has already been certified for participation in the Private Sector Collective Action Coalition Against Corruption (CAC) in October 2020, showing that the company is committed to taking anti-corruption seriously.

In addition, the Company has established guidelines to control and prevent risks associated with a corruption to have proper control and management through various tools existing, such as the Company's operating manual defining roles and responsibilities of each party clearly and the budget usage schedule of each matter that must be approved by the department head. In addition, the Risk Management Working Group meeting also notes the matter in the Company's risk register, specifies a risk registration and guideline to especially prevent the risk of corruption, evaluates it every quarter, etc.

Being aware of the importance of the anti-corruption and ensuring that the policy will be implemented concretely, the Company arranges a training session about the anti-corruption policy for new employees annually to make employees aware of the Company's ideology of conducting business with integrity and understand the roles and practices to against a corruption. In 2019, the Company conducted a total of 12 training sessions, with a total of approximately 31 employees.

The Company has never had any disputes or cases associated with a corruption.

In addition, Sappe operates the business in accordance with the 8 principles of the Securities and Exchange Commission covering various matters as follows:

1. Fair Business Operation
2. Anti-Corruption
3. Respect for Human Rights
4. Fair Treatment to Labor
5. Responsibility to Consumers
6. Environmental Preservation
7. Community or Society Development

8. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders, summarized by overview and divided by stakeholder groups according to the table below:

Stakeholders	Activities / Processes	8 Principles
Employees	Train the trainer	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Respect for Human Rights 3. Fair Treatment to Labor 4. Anti-Corruption
	Talent Management Project For Key Driver	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Respect for Human Rights 3. Fair Treatment to Labor 4. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders
	Sappe Playground Intranet	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Respect for Human Rights 3. Fair Treatment to Labor 4. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders
	Health Insurance for Staff during COVID-19 Pandemic	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Respect for Human Rights 3. Fair Treatment to Labor 4. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders
	Fun Space Project	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Respect for Human Rights 3. Fair Treatment to Labor 4. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders
	Sappe Go Green	<ol style="list-style-type: none"> 1. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders 2. Environmental Preservation 3. Responsibility to Consumers 4. Fair Treatment to Labor
	New Product Development (NPD)	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Respect for Human Rights 3. Fair Treatment to Labor
	90 Days you burn, we give (3rd year)	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Respect for Human Right 3. Fair Treatment to Labor
Customers	Newly Released Products	<ol style="list-style-type: none"> 1. Responsibility to Consumers 2. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders

Stakeholders	Activities / Processes	8 Principles
Suppliers	Joint Development for Standard Certification Applications Project	<ol style="list-style-type: none"> 1. Responsibility to Consumers 2. Environmental Conservation 3. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders
Shareholders - Investors	Good Dividends	<ol style="list-style-type: none"> 1. Respect for Human Rights 2. Responsibility to Consumers
Community and Society	Leader In Me	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Respect for Human Right 3. Community or Society Development 4. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders
	Wan Wan Wan	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Respect for Human Right 3. Community or Society Development 4. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders
	Public Utility Promotion	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Community or Society Development 3. Respect for Human Right 4. Responsibility to Consumers 5. Environmental Preservation
	BBL Floor Painting	<ol style="list-style-type: none"> 1. Community or Society Development 2. Respect for Human Right 3. Innovation and innovation dissemination derived from responsible business operations to society, environment, and stakeholders
	Computer donation to Disability Association	<ol style="list-style-type: none"> 1. Community or Society Development 2. Respect for Human Right 3. Environmental Preservation
	Products donation to communities	<ol style="list-style-type: none"> 1. Community or Society Development 2. Respect for Human Right
	Food For Fighters	<ol style="list-style-type: none"> 1. Fair Business Operation 2. Respect for Human Right 3. Community or Society Development

These deliveries are what we have been trying to achieve as promise, “We better people’s lives through our innovative spirit”. We believe that a journey over a long distance is not going with the fastest speed but with the teams who encourage one another to think, support each other and harvest the journey’s experiences together, becoming the happiest story when the goal is reached. This is what we have always been trying to drive our organization: “Innovate to grow, Do it with fun” because we believe that this is the sustainable journey of ours.

The Company realizes the importance of good internal control because the inspection leads to efficient operation. The Company entrusts the Audit Committee with reviewing the operation to ensure that the Company is equipped with appropriate and efficient internal control and audit. Similarly, this includes the compliance with the securities and exchange act laws, the regulations of the Stock Exchange of Thailand in relation to the Company's operation.

As per the Company's Board of Directors meeting no. 1/2021 on 25 February 2021, with 3 audit committee's members in attendance, the Board's meeting assessed the adequacy of the Company's internal audit in 2020 in line with the guidelines prescribed by the Committee of Sponsoring Organizations of the Treadway Commission: COSO ("the Assessment") with the May edition 2013. The Audit Committee's opinions can be described below:

1. Control Environment

The Company deploys a good internal control environment that is suitable and enough by using the dissemination of ethics as an organizational culture. Below are a clear management structure and job assignments.

- The Company has prepared good corporate governance policy and Code of Conduct, and the guidelines in writing and circulate them to directors, management and employees.
- The roles and responsibilities of the Board of Directors are visibly sectioned off from those of the management. An organizational structure, the lines of command and the authority are devised in line with the evolving business landscape.
- Human resource management policies such as recruitment, training, remuneration, are stated in writing.

2. Risk Assessment

The Company values the importance of risk management and has, thus, appointed a risk management body to determine the risk management policies and framework of the Company. It is tasked with reviewing key risks related to the Company's operation, such as management, finance, data security, law and regulations. It works to offer preventive measures and how to curb risk levels to an acceptable degree. The unit follows up, evaluates and continually overhauls the operational plans to cope with risks and are suitable for business landscapes.

3. Control Activities

In an attempt to ensure the Company's efficient operation, the Company determines appropriate preventive schemes and risk management. So, the Company implements significant control measures e.g. the control and supervision policies of subsidiaries and associates, an authority manual, the Charter of committees

and leading management, etc., so that they serve as a framework for directors, management and employees.

Likewise, the Company has collected information on strategic shareholders, directors, management, including connected persons, in order to follow and review connected transactions or transactions that may cause conflicts of interest. The Company has installed technological control measures by overseeing the infrastructure of the technological system to ensure suitability and controlling the security of the technological systems in terms of data access, data transmission, importing data into the system, to name but a few. As for each certain level, there is a restriction of the rights to those assigned to involve the data.

4. Information & Communication

The Company offers efficient and effective information systems and communication channels, both internal and external, which can be listed as follows:

- Internal Communication The management and employees receive news via the e-mail. In addition, employees are allowed to publicize activities relating to the Company at visible areas at the Rama 9 offices. These aim to ensure that information and public relations activities can be completed through various channels, for the purpose of maximum communication success.
- External Communication The Company frequently provides all stakeholders with information. The information must be true, accurate, complete and sufficient on a timely manner through a range of channels that can be accessed thoroughly and equally. Examples are the Stock Exchange of Thailand's website and the Company's website. Some working units such as the Investor Relations Team are tasked with information communication to external stakeholders.
- The Company provides a special communication channel for employees to provide information about legal or behavioral guideline offences. They are stated in writing as the Guidelines for Receiving Complaints and Protection.

5. Monitoring Activities

The Company employs a compliance inspection regarding the internal control on a quarterly basis. This is performed by an internal audit team who is appointed by the Audit Committee. The results of which are directly reported to the Audit Committee.

In addition, an annual follow-up and appraisal of the internal control system are performed. The activity follows the internal control guidelines regulated by the Securities and Exchange Commission in a bid to ensure the adequacy and the appropriateness of the internal control system. An improvement must be executed after any fraud has been found.

The Audit Committee does not offer different or contradictory opinions against the Board of Directors.

The Report of the Audit Committee

The Audit Committee of Sappe Public Co., Ltd. (“Company”) consists of 3 independent directors who are knowledgeable, capable, expertise and qualified as prescribed by the Charter of the Audit Committee. Mr. Padungdej Indralak is the chairman of the Audit Committee and Ms. Kannigar Triyangkulsri and Mr. Surath Pralongsilp are the Audit Committee members. All 3 Audit Committee members are not involved in the management, including not being executives, staffs, or employees in the Company, subsidiaries and other affiliated companies.

Throughout 2020, the Audit Committee performed duties in the scope of duties and responsibilities according to the Charter of the Audit Committee that the Board of Directors has given approval and perform duties in accordance with the scope of regulations and guidelines set by the Stock Exchange of Thailand including reviewing of the good corporate governance, reviewing of financial statements, reviewing of the accuracy and appropriateness of the disclosure of connected transactions between the Company and related parties and transactions that may have conflicts of interest, strict reviewing of the suitability of internal control systems and continuous development of internal control systems, and strict supervising of the internal audit department. The Audit Committee has also selected and proposed to the Board of Directors and to a meeting of shareholders to appoint the certified auditor of the Company, including consideration of compliance with professional requirements, performance, quality of the service and appropriateness of the remuneration of the auditors.

The Audit Committee was aware of the duties and responsibilities of overseeing the Company to operate in accordance with the policy of the Board of Directors with efficiency and transparency and to be able to be inspected in every step to ensure that the Company continuously developed the good corporate governance.

In 2020, the Audit Committee has independently and completely performed duties as assigned and has attended the meetings with the management, the auditors, and the internal auditors according to 4 relevant agenda which can be summarized as follows:

1. Comments about Accuracy, Completeness, and Reliability of the Company's Financial Reports

The Audit Committee reviewed the quarterly financial statements and the Company's financial statements for the year 2020 before proposing to the Board of Directors for consideration and approval of the Annual General Meeting of Shareholders for the year 2021 to ensure that the financial reports, connected transactions between the Company and related parties, and transactions that may lead to

conflicts of interest, and disclosure of important information were prepared correctly, completely and reliably. The Audit Committee also invited the auditors to attend the meeting on the agenda of reviewing the quarterly financial statements and the financial statements for the year 2020 in order to ask about important issues and to ensure that the said financial statements are consistent with the accounting standards and the financial reporting standards.

In addition, the Company allocated time for the Audit Committee to meet the auditors without the presence of the management team at least once a year to give an opportunity to discuss various issues according to the guidelines in line with the announcement of the Stock Exchange of Thailand.

2. Comments on the Appropriateness of the Auditors

The Audit Committee inspected independence, professional expertise, knowledge and experience, and performance and service quality that the auditors of KPMG Phoomchai Audit Ltd. After reviewing the appropriateness of the remuneration, the Audit Committee agreed that the auditors from KPMG Phoomchai Audit Ltd. performed duties, expressed opinions and provided useful suggestions in the preparation of financial reports and improvements on the internal control of the Company.

After evaluating the performance of the auditors in the past year, the Audit Committee forwarded the results to the Board of Directors meeting to propose to the Annual General Meeting of Shareholders for the year 2021 to consider the remuneration and appoint the auditors of KPMG Phoomchai Audit Ltd. to be the auditors of the Company for the year 2021 continually. The auditors were to be rotated every 5 years as specified by the Securities and Exchange Commission.

3. Supervision of the Internal Control Systems, Preparation of the Internal Control System Audit Plan, and Evaluation of the Sufficiency of the Company's Internal Control Systems

The Audit Committee ensures that the internal control systems of the Company are inspected and revised to ensure appropriateness and stability. The Committee appointed an independent external company to act as the internal control system auditor (Internal Auditor) and to consider the plan for the internal control systems of the Company for the year 2020. It reviewed the report of the internal auditor's audit performance on a quarterly basis and enforced the internal auditor to follow the progress on issues proposed for improvement. It aimed to ensure that the management department took appropriate actions within the specified time after the management department agreed with the proposals of the Audit Committee on the issues that the internal auditor detected from operations.

Moreover, the Audit Committee appointed P&L Corporation Company Limited as the internal auditor of the Company for 2021 and considered the plan for the internal control systems of 2021.

The Audit Committee and the Board of Directors evaluated the sufficiency of the internal control systems on an annual basis according to the international standards “The Committee of Sponsoring Organizations of the Treadway Commission: COSO” to ensure that the internal control evaluation is effective enough for the operations of the Company.

4. Compliance with Laws on Securities and Exchange, the Requirements of the Stock Exchange, or Laws Related to the Company’s Business

After the Audit Committee reviewed the operations in accordance with laws on securities and exchange, requirements, announcements, regulations of the Securities and Exchange Commission and the Stock exchange of Thailand, and other laws related to the operations, they are of the opinion that the Company successfully complied with laws and relevant requirements, announcements and regulations.

5. Review of Transactions that may have Conflicts of Interest

The Audit Committee reviewed the transactions of the Company, including the transactions that may cause conflicts of interest in 2020, with subsidiaries or connected persons. It was intended to ensure that they were common operations which were performed for the maximum benefit of the Company. No transfer of benefits, nor any action against business ethics and Code of Conduct of the Company was founded. On the contrary, transactions were supervised to be consistent with laws, regulations, announcements and rules of the Securities and Exchange Commission and the Stock exchange of Thailand regarding the disclosure of information of transactions that may have conflicts of interest.

6. Review of the Good Corporate Governance of the Company

The Audit Committee promoted the Company’s good corporate governance and oversaw the operations of the Company in accordance with the principles and guidelines for the good corporate governance of the Stock Exchange of Thailand. The Audit Committee strictly and fully complied with the said guidelines and determined the audit of the internal control systems of the Company to ensure that the Company complied with the supervision guidelines appropriately and consistently. This was to ensure the Company’s acceptance and build confidence among shareholders and all interested parties.

7. Evaluation of the Performance of the Audit Committee

The Audit Committee evaluated the performance of the Audit Committee on an annual basis. In 2020, the appraisal of the performance of the Audit Committee covered 4 categories: (1) qualifications and independence of the Audit Committee (2) duties and responsibilities of the Audit Committee (3) the meeting of the Audit Committee and (4) receiving information from the company and a training. The Audit Committee has suggested important issues for the Company to improve its performance.

In conclusion, the Audit Committee performed the duties and responsibilities as outlined in the Charter of the Audit Committee approved by the Board of Directors by using sufficient knowledge, ability, carefulness, prudence, and independence for the equal benefit of all stakeholders. The Audit Committee is of the opinion that the financial reports of the Company are accurate, reliable, compliant with the generally accepted accounting standards. The Company has appropriate and effective internal control management, consistent operation in accordance with the good corporate governance system, and compliance with laws, regulations, and obligations relating to the Company’s operations

On behalf of the Audit Committee,



(Mr. Padungdej Indralak)
Chairman of the Audit Committee

The Audit of the Internal Control System according to the Opinion of the Internal Auditor

The Company employed the internal auditor from the outsource, P&L Corporation Company Limited, to be the internal auditor for 2020, with quarterly reviews. The internal auditor inspected the internal control system according to the plan approved by the Audit Committee to evaluate the sufficiency and appropriateness of the internal control system of the Company and audited whether or not the Company fully complied with the internal control system.

At the meeting of the Audit Committee in 2020, the internal auditor from the external agency attended every meeting with the Audit Committee to report the results of the internal control system audit of the Company. The internal auditor summarized the audit results and issues found during the audit, along with providing recommendations and a report of the follow-up of the internal control system improvement of the previous quarter to the meeting. When these points were acknowledged at the meeting of the Audit Committee, the management was assigned to resolve various issues as suggested by the internal auditor completely.

In addition, according to the Charter of the Audit Committee of the Company, the Audit Committee has the duty to approve the appointment, transfer, and dismissal of the head of the Internal Audit department or any other departments responsible for internal auditing. The Audit Committee is of the opinion that the internal auditor of the Company are experts in internal control system auditing and has experiences in internal auditing for companies listed on the Stock Exchange of Thailand. The background of the internal auditor supervisor is shown in the attachment 3 in the annual registration statement (Form 56-1).

Summary of Accounting Observations and Recommendations based on the Opinions of the Auditor

At the Audit Committee meeting no. 1/2021 on February 22, 2021, KPMG Phoomchai Audit Ltd. (Auditor) who is the auditor of the Company attended the meeting with the Audit Committee to summarize accounting observations and suggestions. From the audited financial statement of the Company for the year ending on December 31, 2020, it was concluded that the Company prepared the financial statements that were duly and appropriately in accordance with the financial reporting standards.

Connected Transactions

1. The summary of the details of connected transactions between the Company and the persons who may have conflicts of interest yearly ending December 31, 2020

The Company executed transactions with persons and juristic persons that may have conflicts of interest. The relationships can be summarized as follows:

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2020 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
Persons / Juristic Person that may have a conflict of interest of Sappe Public Company Limited				
1. Sappe Europe s.r.o ("Sappe Europe")	<ul style="list-style-type: none"> The Company is a major shareholder holding 60.00% of Sappe Europe's paid-up share capital 	<ul style="list-style-type: none"> Raw materials sold for the production Revenue from sales 	0.27	<ul style="list-style-type: none"> Pricing is in accordance with market price, the same guideline as set for other non-related parties or organizations.
<ul style="list-style-type: none"> € 0.24 million of short-term loan with interest rates of 4% per annum 				
Short-term loans			8.63	<ul style="list-style-type: none"> The short-term loans offered to Sappe Europe are financial support provided by the former shareholders. The Company, subsequently, made an agreement for purchasing debt from the former shareholders by assigning interest rates comparable to market rates.
Deduct allowance for doubtful accounts			8.63	
Net			-	
- Interest income			0.34	
- Accrued interest receivables			2.83	
Deduct net allowance for doubtful accounts			(2.83)	
Net			-	
Movements during the Year				
Balance at the beginning of the year			7.89	
- Loans			-	
- Repayment			-	
- Differences from changes in foreign exchange rates			0.74	
Deduct allowance for doubtful accounts			(8.63)	
Balance at the end of the year			-	
2. Sappe Holding (Thailand) Co., Ltd. ("Sappe Holding")	<ul style="list-style-type: none"> A wholly owned subsidiary of The Company 	<ul style="list-style-type: none"> Other Accounts receivable 	0.83	
Deduct net allowance for doubtful accounts			(0.41)	
Net			0.42	

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2020 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
3. Toyox Trading (Thailand) Co., Ltd. ("Toyox")	<ul style="list-style-type: none"> The Ruckariyapongs, the Company's major shareholder, holds 68.00% of Toyox's paid-up share capital Same authorize director, Mr. Adisak Ruckariyaphong 	<ul style="list-style-type: none"> Factory equipment purchased from Toyox to use in the Company's production process <ul style="list-style-type: none"> - Other account payables Revenue from Assets Sale 	0.17 0.01 0.24	<ul style="list-style-type: none"> Purchase price is based on market price, the same guideline as set for other non-related parties or organizations
4. Hayashi Products Co., Ltd. ("Hayashi")	<ul style="list-style-type: none"> The Ruckariyapongs, the Company's major shareholder, holds 100.00% of Hayashi's paid-up share capital Same authorize directors, Mr. Adisak Ruckariyaphong and Mr. Arnupap Ruckariyapong 	<ul style="list-style-type: none"> Rent out warehouse space of the Company's factory at Klong 13 at 10,000 Baht per month with warehouse management cost at 80 baht per a carton of product <ul style="list-style-type: none"> - Other income - Other Accounts receivable 	 0.31 0.03	<ul style="list-style-type: none"> To utilize the Factory's space to the maximum and the rental fee is close to the market price
5. 3T Engineering Co., Ltd. ("3T")	<ul style="list-style-type: none"> Authorized directors and major shareholders are Mr. Anupap Ruckariyapong, Mr. Adisak Ruckariyaphong, and Mr. Natee Onin, holding 80.00%, 10.00% and 10.00% of 3T's paid-up share capital, respectively 	<ul style="list-style-type: none"> Machinery and equipment purchased from 3T to use in the Company's production process 	0.04	<ul style="list-style-type: none"> Purchase price is based on market price, the same guideline as set for other non-related parties or organizations
6. On Fifth Co., Ltd. ("On Fifth")	<ul style="list-style-type: none"> Mr. Anupap Ruckariyapong is an authorized director and a major shareholder, holding 30.00% of On Fifth's paid-up share capital 	<ul style="list-style-type: none"> Catering services 	0.02	<ul style="list-style-type: none"> Pricing is in accordance with market price, the same guideline as set for other non-related parties or organizations.

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2020 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
7. Mr. Anan Ruckariyapong	<ul style="list-style-type: none"> An authorized director and the President, holding 1.63% of the paid-up share capital (Percentage of shares as of 30 December 2020) 	<ul style="list-style-type: none"> Rental fee of Bangchan's land and factories with total area of 2 rai, 1 ngan, 88.20 square wahs. Lease contract started from 1 October 2016 to 30 September 2019. The 3rd year rental fee (October 2018 - September 2019) is 451,116 baht per month. The company has extended the contract for 3 years, starting from 1 October 2019 to 30 September 2022. The rental fee for the 1st year (October 2019 - September 2020) is 464,649 baht per month. Deposit of 3 months rental fee will be refunded when the contract ends. 	5.62	<ul style="list-style-type: none"> The lease of land and factories facilitates the operation and production. In this, instead of investing on the said land and buildings with large amount of fund, the Company's limited amount of capital is allocated to other necessary investments for the benefit of the Company. The lease rate of land with factory building is similar to that of the market prices.
8. Ruckariyapong Family, consisting of 6 persons as follows:			1.17	
<ul style="list-style-type: none"> Mr. Anan Ruckariyapong 	<ul style="list-style-type: none"> An authorized director, the President and a shareholder of 1.63% of the paid-up share capital (Percentage of shares as of 31 December 2020) 	<ul style="list-style-type: none"> Rental fee of land at Klong 13 with total area of 97 rai 3 ngan 49 square wahs. 20-year Lease contract started from 1 October 2013 to 30 September 2033. The 6th year rental fee (October 2018 - September 2019) is 168,924 baht per month and the 7th year rental fee (October 2019 - September 2020) is 172,303 baht per month Deposit of rental fee will be refunded when the contract ends. 	2.08	<ul style="list-style-type: none"> The lease of land and factories facilitates the operation and production. In this, instead of investing on the said land and buildings with large amount of fund, the Company's limited amount of capital is allocated to other necessary investments for the benefit of the Company. The lease rate of land with factory building is similar to that of the market prices.
<ul style="list-style-type: none"> Mr. Adisak Ruckariyaphong 	<ul style="list-style-type: none"> An authorized director, Chairman of Executive Committee and a shareholder of 17.16% of the paid-up share capital (Percentage of shares as of 31 December 2020) 			
<ul style="list-style-type: none"> Mr. Annupap Ruckariyapong 	<ul style="list-style-type: none"> An authorized director, Chief Operating Officer and a shareholder of 18.64% of the paid-up share capital (UBS AG SINGAPORE BRANCH as a Custodian, 3.29%) (Percentage of shares as of 31 December 2020) 		1.06	

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2020 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
<ul style="list-style-type: none"> Miss Piyajit Ruckariyaopong Mrs. Somnuek Isoonsansiri Mr. Thanarat Ruckariyaopong 	<ul style="list-style-type: none"> Director, Chief Executive Officer and a shareholder of 17.83% of the paid-up share capital (Percentage of shares as of 31 December 2020) A shareholder of 1.53% of the paid-up share capital (Percentage of shares as of 31 December 2020) A shareholder of 18.28% of the paid-up share capital (Percentage of shares as of 31 December 2020) 			
9. Mr. Veeravooth Phuchanakit	<ul style="list-style-type: none"> The spouse (de facto) of Ms. Piyajit Ruckariyaopong, an authorized director who is authorized by the Company and the Chief Executive Officer 	<ul style="list-style-type: none"> Management consulting fee Revenue from Assets sale 	<p>1.20</p> <p>0.37</p>	<ul style="list-style-type: none"> Service fee is in accordance with market price, the same guideline as set for other non-related parties or organizations. Pricing is in accordance with market price, the same guideline as set for other non-related parties or organizations
10. Bangkok Best Buy Co., Ltd. ("BBB")	<ul style="list-style-type: none"> Authorized director and major shareholder is Mr. Veeravooth Phuchanakit, holding 43.33% of BBB's paid-up share capital. Mr. Veeravooth Phuchanakit is the spouse (de facto) of Ms. Piyajit Ruckariyaopong, an authorized director who is authorized by the Company and the Chief Executive Officer. 	<ul style="list-style-type: none"> Purchase of Building Improvement Prepaid Expenses 	<p>0.03</p> <p>0.92</p>	<ul style="list-style-type: none"> Pricing is in accordance with market price, the same guideline as set for other non-related parties or organizations
11. The Conte Co., Ltd. ("The Conte")	<ul style="list-style-type: none"> Ms. Nantiya Worapratheep, the spouse of Mr. Anak Lapsuksatit (Chief Financial Officer) is an authorized director and a major shareholder holding 99.80% of The Conte's paid-up capital shares 	<ul style="list-style-type: none"> Management consulting fee 	7.69	<ul style="list-style-type: none"> Service fee is in accordance with market price, the same guideline as set for other non-related parties or organizations.

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2020 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
12. Sappe Trading (Hong Kong) Co., Ltd. ("Sappe Trading HK")	<ul style="list-style-type: none"> • A wholly own subsidiary of Sappe Holding. • The authorized directors, Mr. Adisak Ruckariyapong, Mr. Anupap Ruckariyapong and Ms. Piyajit Ruckariyapong, who is an authorized director to sign with authorization from the Company. 	<ul style="list-style-type: none"> • Other Accounts receivable <p>Deduct allowance for doubtful accounts</p> <p>Net</p>	<p>0.31</p> <p>(0.12)</p> <hr/> <p>0.19</p> <hr/>	
13. Sappe Trading (Shanghai) Co., Ltd. ("Sappe Shanghai")	<ul style="list-style-type: none"> • A wholly own subsidiary of Sappe Hong Kong Co., Ltd. ("Sappe HK"). • The authorized director is Ms. Piyajit Ruckariyapong, who is an authorized director to sign with authorization from the Company 	<ul style="list-style-type: none"> • Other Accounts receivable <p>Deduct Allowance for doubtful accounts</p> <p>Net</p>	<p>10.00</p> <p>(10.00)</p> <hr/> <p>-</p> <hr/>	
14. All Coco Group Co., Ltd. ("All Coco Group")	<ul style="list-style-type: none"> • A subsidiary of Sappe Holding, holding 51.00% of All Coco Group's registered share capital • The same authorized directors, Mr. Adisak Ruckariyapong, Mr. Anupap Ruckariyapong and Ms. Piyajit Ruckariyapong, who is an authorized director to sign with authorization from the Company 	<ul style="list-style-type: none"> • Revenue from selling • Accounts receivable • Other income • Other accounts receivable • The company bought coconut-based products for sale <ul style="list-style-type: none"> - Products purchase - Trade accounts payable • Entertaining expense incurring from the purchase of coconut products • Other accounts payable • 4.80 million baht of short-term loans with interest rates of 3.2% per annum. On 28 August 2019 and 10 June 2020, ACG repaid the loan in the amount of 0.21 million baht and 1.53 million baht, respectively. <ul style="list-style-type: none"> - Short-term loans - Interest income - Accrued interest receivables <p>Movements during the Year</p> <p>Balance at the beginning of the year</p> <ul style="list-style-type: none"> - Repayment <p>Balance at the end of the year</p>	<p>0.06</p> <p>0.04</p> <p>5.83</p> <p>0.89</p> <p>58.93</p> <p>14.21</p> <p>0.47</p> <p>0.08</p> <p>3.06</p> <p>0.12</p> <p>0.05</p> <p>4.59</p> <p>1.53</p> <p>3.06</p>	<ul style="list-style-type: none"> • Pricing is in accordance with market price, the same guideline as set for other non-related parties or organizations. • The short-term loan is used as working capital of Coconut Factory group of companies, with interest rates comparable to the market rates.

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2020 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
15. All Coco Co., Ltd. ("All Coco")	<ul style="list-style-type: none"> An indirect subsidiary of Sappe Holding and a wholly owned subsidiary of All Coco Group 	<ul style="list-style-type: none"> 3.20 million Baht of short-term loans with interest rates of 3.2% per annum. On 30 August 2019 and 10 June 2020, ACC repaid the loan in the amount of 0.14 million baht and 0.51 million baht, respectively. - Short-term loans - Interest income - Accrued interest receivables <p>Movements during the Year</p> <p>Balance at the beginning of the year</p> <p>- Loans</p> <p>- Repayment</p> <p>Balance at the end of the year</p>	<p>2.55</p> <p>0.09</p> <p>0.05</p> <p>3.06</p> <p>-</p> <p>0.51</p> <p>2.55</p>	<ul style="list-style-type: none"> The short-term loan is used as working capital of Coconut Factory group of companies, with interest rates comparable to the market rates.
16. Danone Sappe Beverages Co., Ltd. ("Danone")	<ul style="list-style-type: none"> An associated company of Sappe Holding, holding 25.00% of the Danone's registered share capital 	<ul style="list-style-type: none"> Sale of Finished Products - Revenue from sales - Accounts receivable Transportation revenue Revenue from monthly service and operation Other accounts receivable Purchase of finished products for sale - Purchase of products - Accounts payable 	<p>14.39</p> <p>40.05</p> <p>0.89</p> <p>29.93</p> <p>7.44</p> <p>230.36</p> <p>68.12</p>	<ul style="list-style-type: none"> Pricing is in accordance with market price, the same guideline as set for other non-related parties or organizations.
Persons / Juristic Persons that may have a conflict of interest of Sappe Europe s.r.o – Subsidiary				
1. Mr. Milan Bucek	<ul style="list-style-type: none"> A shareholder of Sappe Europe, holding 20.00% of the paid-up share capital. 	<ul style="list-style-type: none"> Accrued dividends payment with an agreement to pay from Sappe Europe's profits in the amount of €109,076.03 	4.02	<ul style="list-style-type: none"> Accrued dividends are in accordance with Sappe Europe's regulations which require the dividends of Mr. Milan Bucek to be paid in full amount. Subsequently, remaining parts of the profit are allocated as per the proportion of the payable investment.

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2020 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
2. Mr. Ing. Ivan Ježo	<ul style="list-style-type: none"> • A shareholder of Sappe Europe, holding 20.00% of the paid-up share capital. 	<ul style="list-style-type: none"> • € 0.02 million of short-term loan (no interest charged). <p>Movements during the Year</p> <p>Balance at the beginning of the year 0.84</p> <p>- Differences from changes in foreign exchange rates (0.09)</p> <p>Balance at the end of the year <u>0.93</u></p>	0.93	<ul style="list-style-type: none"> • Short-term loan is used to support Sappe Europe's business operations.
3. Italmarket Slovakia, a.s. ("Italmarket")	<ul style="list-style-type: none"> • Same shareholder, Mr. Ing. Ivan Ježo, holding 20.00% of Sappe Europe's paid-up share capital and 17.17% of Italmarket's paid-up share capital 	<ul style="list-style-type: none"> • Sales of products to Italmarket. - Revenue from sales - Accounts receivable 	<p>3.99</p> <p>0.36</p>	<ul style="list-style-type: none"> • Pricing is in accordance with market price, the same guideline as set for other non-related parties or organizations.
<p>Persons / Juristic Persons that may have a conflict of interest of Sappe Holding (Thailand) Co., Ltd. – Subsidiary</p>				
1. Sappe Trading (Shanghai) Co., Ltd. ("Sappe Shanghai")	<ul style="list-style-type: none"> • A wholly owned subsidiary of Sappe HK • Same authorized director, Ms. Piyajit Ruckariyapong 	<ul style="list-style-type: none"> • Sales promotion and marketing in China expenses and Commission - Other accounts receivable <p>Deduct Allowance for doubtful accounts (37.77)</p> <p>Net -</p>	<p>37.77</p> <p>(37.77)</p>	<ul style="list-style-type: none"> • Pricing is in accordance with market price, the same guideline as set for other non-related parties or organizations.
<p>Persons / Juristic Persons that may have a conflict of interest of Sappe Europe Holding (Thailand) Co., Ltd. – Subsidiary</p>				
1. Sappe Trading (Shanghai) Co., Ltd. ("Sappe Shanghai")	<ul style="list-style-type: none"> • A wholly owned subsidiary of Sappe HK • Same authorized director, Ms. Piyajit Ruckariyapong 	<ul style="list-style-type: none"> • Transportation cost from products distribution by Italmarket • €0.08 million of short-term loan with interest rate of 2% per annum. - Short-term loans - Interest expense - Accrued interest payable <p>Movements during the Year</p> <p>Balance at the beginning of the year 2.70</p> <p>- Differences from changes in foreign exchange rates 0.25</p> <p>Balance at the end of the year <u>2.95</u></p>	<p>2.95</p> <p>0.06</p> <p>0.63</p>	<ul style="list-style-type: none"> • The price is similar to that of the market price • The short-term loan is used to support Sappe Europe's business operations with interest rates comparable to the market rates.

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2020 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
Persons / Juristic Persons that may have a conflict of interest of All Coco Group Co., Ltd. – Indirect subsidiary				
1. Mrs. Waraporn Manasrungssee	● An authorized director and key executive	<ul style="list-style-type: none"> ● 6.00 million baht of a short-term loan with interest rates of 3.2% per annum was repaid on 28 August 2019 in the amount of 2.33 million baht and on 10 June 2020 in the amount of 0.98 million baht. Another 0.5 million baht of a short-term loan (with no interest charges) was fully repaid on 30 August 2019. - Short-term loans 2.69 - Interest expense 0.10 - Accrued interest payable 0.26 		<ul style="list-style-type: none"> ● Short-term loan is used as working capital for All Coco group of companies, with interest rates comparable to the market rates.
		Movements during the Year		
		Balance at the beginning of the year	3.67	
		- Repayment	(0.98)	
		Balance at the end of the year	2.69	
2. Mrs. Trakarnjit Suteesophon	● An authorized director	<ul style="list-style-type: none"> ● 6.00 million baht of a short-term loan with interest rates of 3.2% per annum was repaid on 28 August 2019 in the amount of 2.33 million baht and on 10 June 2020 in the amount of 0.98 million baht. Another 0.5 million baht of a short-term loan (with no interest charges) was fully repaid on 30 August 2019. - Short-term loans 2.69 - Interest expense 0.10 - Accrued interest payable 0.26 		<ul style="list-style-type: none"> ● Short-term loan is used as working capital for All Coco group of companies, with interest rates comparable to the market rates.
		Movements during the Year		
		Balance at the beginning of the year	3.67	
		- Repayment	(0.98)	
		Balance at the end of the year	2.69	
		● Rental of factory land	0.36	

2. Necessity and Reasonableness of Connected Transaction

The Audit Committee has reviewed the connected transactions with the related parties or organizations for the fiscal year ending 31 December 2020 as detailed above and has been of the opinion that the said transactions were necessary and reasonable. For example, a trade of products, machinery and equipment are a normal business practice of the company. The transaction has general commercial conditions which is in accordance with the market price and can be compared with transactions made with other third parties not related to the company. Furthermore, the contract of land and buildings lease to be used as the company's production plants, their rental prices were based on the appraised value of the independent property appraiser. Therefore, the transactions were all reasonable and fair and did not cause the company to lose any benefits.

3. Measures or Procedures for Approving Connected Transactions

The Board of Directors has considered transactions that may have conflicts of interest or related transactions under ethical framework by screening them according to the policy and procedures for approving connected transactions which are in accordance with the law on Securities and Stock Exchange, regulations, announcements, orders, or requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand involving in the said matter. In addition, the Board of Directors has also considered the compliance with the requirements regarding the disclosure of connected transaction information of the company or subsidiaries in accordance with the accounting standards prescribed by the Institute of Certified Accountants and Auditors of Thailand. In this regard, any person who may have a conflict of interest or have an interest in the transactions cannot participate or vote for approving the said transactions.

In case that the law requires approval from the Board of Directors or at the shareholders' meeting of the company, the company will invite the Audit Committee to attend the meeting to consider and comment on the necessity of doing the transactions and the reasonability of such transactions.

Commercial Transactions with General Trade Conditions

For the transactions which are the commercial transactions with general commercial conditions occurring between the company or subsidiaries and a person who may have a conflict of interest or have an interest in the future, the company has specified frameworks of the said transactions which were considered and approved by the Audit Committee and were officially approved by the Board of Directors. When conducting the said transactions, the management of the company can approve the transaction conduction whereby the transactions must include a trade agreement in the same way that a reasonable person will do with general contracting parties in the same situation with the bargaining power without influence of a director, executive or related person (Arm's Length Basis). And the transactions must be a business transaction that the company or subsidiaries operate normally to do business or a business transaction in which companies in the same business as the company or subsidiaries tend to conduct to support their normal business. The business transaction must include a fair price and conditions, must not cause the transfer of benefits, and must include the following commercial conditions:

- 1) Price and conditions that the company or subsidiary receive or give to general public
- 2) Price and conditions that the connected persons give to the general public
- 3) Price and conditions that the company can show that other business operators also give those to the general public

In addition, in case of having any business transactions with Arm's Length Basis, the management of the company will a decision maker. After the management's approval, a summary report of the said connected transactions will be conducted to report to the meeting of the Board of Directors to acknowledge. In case that the Audit Committee and the Board of Directors find that some actions are taken in violation of the established policies, the Audit Committee and the Board of Directors will work together to find solutions.

Commercial Transactions with No General Trade Condition or Other Transactions

In case that the commercial transactions did not include general commercial conditions or the commercial transactions occur between the company or a subsidiaries and a person who may have a conflict of interest or have an interest in the future, the company must propose to the Audit Committee to consider and comment on the necessity and appropriateness of the transactions, including the appropriateness of the price and conditions in those transactions. There must be a comparison of the price in those and the price made with third parties or the market price before presenting to the Board of Directors and / or the shareholders' meeting for further approval. In case that the Audit Committee is not skilled in considering any related transactions, the company will have an independent expert or the company's auditors to give an opinion on them instead. Therefore, the opinion will be used in the decision of the Audit Committee, the Board of Directors and / or the shareholders' meeting. In this regard, any person who may have a conflict of interest or have an interest in the transactions cannot participate or vote for approving the said transactions.

4. Policy or Trend of Future Connected Transactions

The company anticipated that in the future, the connected transactions will be normal business transactions as usual, including taking the interests of the company and its subsidiaries into account and without additional special items and transfer of benefits to each other. For the pricing policies between related parties, pricing will be the normal price of the business as the price specified for other unrelated parties / businesses. The future financial assistance to subsidiaries will continue as necessary and appropriate, such as a trade of products or costs of mutual marketing. However, for any connected transactions that may occur in the future, the Board of Directors must comply with the securities and exchange laws, regulations, announcements, orders, or requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand. It also includes the compliance with the requirements regarding the disclosure of connected transaction information of the company or subsidiaries in accordance with the financial reporting standards specified by the Federation of Accounting Professions.

Overview of 2020 Thailand's Economy and 2021 Outlook

The Office of the National Economic and Social Development Board (NESDB) reported the decline of Thai economy in the fourth quarter of 2020 by 4.2%, improving from the previous quarter, which was at 6.4%. However, if excluding seasonality factor, the Thai economy in the fourth quarter of 2020 expanded by 1.3% from the third quarter of 2020. For the entire year 2020, the Thai economy contracted 6.1% compared to a 2.3% expansion in 2019 as described below.

Total exports for 2020 were valued at \$ 226 billion, down by 6.6%, and accounted for exports in Thai baht, down by 0.8%. However, in view of exports in the fourth quarter of 2020 contracted by 1.5%, improving compared to 8.2% decline in the previous quarter. The slowdown of decline from the previous quarter was in line with the recovery of trading partners' economies and favorable growth in exports of several commodities benefiting from the COVID-19 outbreak and the trade barriers between the U.S. and China.

For overall consumption in 2020, private consumption declined by 1.0%, and government expenditure expanded by 0.8%. In the fourth quarter of 2020, private consumption expanded by 0.9%, improving steadily from declines of 6.7% and 0.6% in the second and third quarters, respectively, partly due to government stimulus measures such as State welfare card top up project, Khon La Krueng campaign, Shop Dee Mee Kuen campaign, tax measures including tax reduction and deferral of tax payment, as well as measures to reduce the social security contribution rate, which is in line with the increase in confidence of consumers regarding the overall economic condition at 44.3%, higher than the previous quarter at 43.0%.

Government consumption expenditures expanded by 1.9%, continuing from a 2.5% expansion in the previous quarter, in line with goods and services expenditures and labor compensation (wages, salaries), in which the annual budget disbursement rate was 28.6%, higher than 22.8% in the same quarter of the previous fiscal year.

In other areas of the Thai economy, the total investment in 2020 down by 4.8% from an 8.4% drop in private investment and a 5.7% increase in government investment. Total imports were \$ 187 billion, down by 13.5%, compared to a 5.6% decline in 2019 as a result of a slowdown in domestic demand, which was in line with headline inflation at an average of -0.8% in 2020 and core inflation at 0.3%, compared to the same figures for the previous year, 0.7% and 0.5%, respectively.

The Office of the National Economic and Social Development Board still expects the Thai economy in 2021 to expand by 2.5-3.5% (press release on February 15, 2021), with strong supports from (1) trends of economic recovery and world trade volumes (2) driving forces from government expenditure and investment (3) a slow resurgence in domestic private demand, and (4) adaptation to an unusually low expansion in 2020. However, it is expected that the value of merchandise exports will expand by 5.8%, as well as private consumption and total investment grow by 2.0% and 5.7% respectively, whereas the average headline inflation will be in the range of 1.0% -2.0% and the current account surplus amounted to 2.3% of GDP.

However, the Thai economy in 2021 will recover to a positive 2.5%, partly due to the low base of the previous year, as well as continued economic stimulus measures, government expenditure, and cyclical economic recovery and foreign demand. Yet there are still many challenges ahead, amid the negative domestic factor of the highly uncertain political issue that periodically pressures confidence. Also, the recovery of the tourism sector is expected to lag behind other drivers, including the effects of the COVID-19 crisis resulting in both unemployment and debt problems, however, the Thai economy still has a positive factor from government measures that will help support domestic spending, where growth in the export sector and infrastructure investment will be the driving force of the economy in the next phase.

Discussion and Analysis of Operating Results and Financial Position

Overview of Operation and Financial Position

The company engages in the business of producing and distributing beverages both domestically and internationally. The company had total revenue of 3,320.9 million baht, a decrease of 1.9% from the previous year. It was a slight drop in sales revenue of 0.95% from a year earlier, mainly due to the COVID-19 epidemic and the lockdown measure that took place from Q1 to Q4. As a result, the purchasing power of consumers in both the international market and the domestic market has declined. However, the domestic market continues to grow due to the trend of health consciousness that directly affected the functional drink category.

The cost of sales to total revenue ratio rose slightly at 0.7 pts to 62.2%, mainly due to the increase in excise tax in Thailand for some beverage categories. However, if considering the production cost excluding the effect of the excise tax, the company has a lower proportion of the cost of sales to total revenue due to the reduction of production costs and efficient cost management of the factory every year.

The selling expenses to total revenue ratio was 13.6%, down by 0.9 pts compared to the previous year. Due to more efficient budget management and administrative expenses at 298.4 million baht, close to the previous year, resulting in net profit this year at 386.0 million baht, down by 4.2% over the same period of the previous year at 402.7 million baht.

At present, there are two other subsidiaries, Sappe Europe s.r.o, registered in Slovakia, which engages in the business of OEM, sales, and marketing of Sappe Aloe Vera Drink in European countries and Sappe Holding (Thailand) Co., Ltd., registered in Thailand, operating management services to affiliated companies.

The Company's operating results for the year ended 2017 - 2020 had total revenues of 2,746.0 million baht, 2,885.9 million baht, 3,386.9 million baht, and 3,320.9 respectively, with most of the above revenues generating from sales revenue.

Sales Revenue

During 2017 - 2020, the sales revenue by geography can be analyzed as shown in below figure.

Sales Revenue	Year 2020		Year 2019		Year 2018		Year 2017	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Total	3,268.1	100.0	3,299.5	100.0	2,826.9	100.0	2,687.3	100.0
Domestic	1,481.3	45.3	1,380.9	41.9	944.7	33.4	981.4	36.5
International	1,786.8	54.7	1,918.6	58.1	1,882.2	66.6	1,705.9	63.5

The company had sales revenue in 2020 equal to 3,268.1 million baht, a decrease from the previous year of 3,299.5 million baht or down by 0.95%, divided into 1,481.3 million baht from domestic sales, an increase of 6.9% compared to the previous year and 1,786.8 million baht from international sales, a decrease of 7.3%, compared to the previous year.

Although the purchasing power of domestic consumers has decreased as a result of the COVID-19 epidemic, the domestic sales revenue continued to grow from the previous year, mainly due to health-conscious trends that directly affected the functional drink category, namely Beauti Drink and B'lue products with continued growth rates under cost-effective management to build brand awareness on lower budgets. In addition, the healthy snack product line continues to grow, mainly driven by the new product development (NPD), Gumi Gumi Jelly, which focuses on the traditional trade market with high purchasing power at an affordable price.

Sales revenue in the international market was still affected by the COVID-19 epidemic situation, especially in Asian countries, which is the largest market. However, the company has started to see positive signs of recovery of this incident after the global COVID-19 vaccination, with international market sales forecast in 2021 to return to grow in line with the company's original business fundamentals.

The main products generating sales revenue in the international market are still Mogu Mogu and Sappe Aloe Vera Drink, a fruit juice / fruit flavored drink mixed with coconut jelly/aloe vera slice. With the distinctive points of carefully selected ingredients combined with the perfect combination of fresh fruit juice, freshness boosting, Mogu Mogu has the highest sales in the international market. Whereas the domestic sales are health and beauty drinks, such as Sappe Beauti Drink and B'lue Infused Vitamin Water, fruit juice drinks, such as All Coco and Sappe Aloe Vera Drink, Preaw instant coffee powder. It also includes confectionery products and healthy snacks with significant growth this year, such as Sappe Beauti Jelly, Gumi Gumi Jelly, DeNosh Soy Pudding, ZEA Max Crispy Grilled Fish and Preaw Pudding, etc. which the total sales can be divided by product category as follows:

Category of Product	Year 2020		Year 2019		Year 2018		Year 2017	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
1. Health and beauty drink	692.3	21.2	547.6	16.6	327.2	11.6	362.8	13.5
2. Fruit juice and fruit flavoured drink	2,083.0	63.7	2,265.1	68.6	2,035.5	72.0	1,917.8	71.4
3. Health and beauty instant powder	247.5	7.6	296.9	9.0	307.7	10.9	375.8	13.9
4. Confectionery and healthy snacks	25.5	0.8	31.5	1.0	35.6	1.2	30.9	1.2
5. Ready-to-drink health and beauty and others	219.8	6.7	158.4	4.8	120.9	4.3	-	-
Gross Profit	3,268.1	100.0	3,299.5	100.0	2,826.9	100.0	2,687.3	100.0

Other Income

Other income of the Company in the years 2017 - 2020 amounted to 40.6 million baht, 51.5 million baht, 69.9 million baht, and 52.9 million baht, respectively. The other significant incomes consist of transportation, which is derived from additional services of transportation provided upon the customer's request, selling of scrap materials, interest income, and others with the details as follows:

Other Income	Consolidated Financial Statements							
	Year 2020		Year 2019		Year 2018		Year 2017	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Transportation	17.7	33.5	18.1	25.9	17.1	33.2	15.4	37.8
Interest	5.2	9.8	2.6	3.7	0.6	1.2	2.5	6.2
Selling of scrap materials	1.3	2.5	2.7	3.9	3.5	6.7	1.5	3.6
Other	28.7	54.2	46.5	66.5	30.3	58.9	21.2	52.4
Total other income	52.9	100.0	69.9	100.0	51.5	100.0	40.6	100.0

Cost of Goods Sold and Gross Profit

The gross profit of the company from 2017 - 2020 was 39.1%, 36.3%, 36.8%, and 36.7%, respectively, which decreased slightly. The cost of goods sold in 2020 accounted for 63.2% of sales revenue, equal to the previous year at 63.2%.

Unit: Million Baht	Consolidated Financial Statements							
	Year 2020		Year 2019		Year 2018		Year 2017	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	3,268.1	100.0	3,299.5	100.0	2,826.9	100.0	2,687.3	100.0
Cost of Goods Sold	2,067.2	63.2	2,083.8	63.2	1,799.8	63.7	1,637.3	60.9
Gross Profit	1,200.9	36.8	1,215.7	36.8	1,027.1	36.3	1,050.0	39.1

The cost of goods sold in 2020 accounted for 62.2% of total revenue, a 61.5% increase compared to the previous year, due to an increase in excise taxes in Thailand on some beverage categories, which has been in effect since October last year at a rate of 10% of the retail price and a new tax rate cut to 3% of the retail price from July 2020. However, if considering the production cost excluding the effect of the excise tax, the company has a lower proportion of the cost of sales to total revenue due to the reduction in production costs, raw materials, and packaging costs such as PET Resin, as well as cost-effective management of the factory every year.

For 2021, due to a reduction of the original tax rate of 10% to a new rate of 3% of the retail price since July 2020, it results in lower product costs forecast. In addition, the company continues to emphasize cost-effective management of production continuously.

Selling, General & Administrative Expenses

The company accounted for 13.6% of selling expenses this year, a decrease of 14.5% compared to the previous year due to effective cost control. The said proportion is still within the budgeting set by the company.

The administrative expenses this year were 298.4 million baht, close to the previous year at 290.7 million baht from the effective cost control management.

Unit: Million Baht	Consolidated Financial Statements							
	Year 2020		Year 2019		Year 2018		Year 2017	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Selling expenses	451.5	13.6	490.1	14.5	383.5	13.3	363.5	13.2
Administrative expenses	298.4	8.9	290.7	8.6	265.5	9.2	242.6	8.8
Total selling and administrative expenses	749.9	22.5	780.8	23.1	649.0	22.5	606.1	22.0
Total Revenue	3,320.9	100.0	3,386.9	100.0	2,885.9	100.0	2,746.0	100.0

Financial Costs

In 2020, the company had finance costs of 3.2 million baht, an increase from the previous year by 2.1 million baht, as the company has recorded the interest from the lease in accordance with the principles of the financial reporting standard 16 announced to be effective from the date of January 1, 2020.

Corporate Income Tax

In 2020, the company incurred a corporate income tax expense of 96.0 million baht, which accounted for 19.9 percent of profit before income tax expenses.

Share of Profit (Loss) of Associates and Joint Ventures

This year, the company realized a loss of 15.6 million baht from investing in Danone Sappe Beverages Company Limited (Calculated from 25% stake) in the field of sales and marketing to create brand awareness in the medium-long term according to the plan.

Net Profit

Net profit this year was 386.0 million baht or accounted for 11.6% of total revenue, compared to 402.7 million baht in the previous year or accounted for 11.9% of total revenue.

Financial Position Analysis

Assets

Total assets of the company and its subsidiaries for the year ended 2020 amounted to 3,647.2 million baht, consisting of current assets of 2,361.3 million baht and non-current assets of 1,285.8 million baht, which the total assets increased by 257.2 million baht compared to the year 2019 at 3,390.0 million baht or an increase of 7.6%. The increase in total assets was mainly due to the increase in temporary investments and trade accounts receivable following the business expansion and right-to-use assets (Financial Reporting Standards 16).

Liabilities

The total liabilities of the company and its subsidiaries for the year ended 2020 amounted to 774.1 million baht, consisting of current liabilities of 670.5 million baht and non-current liabilities of 103.5 million baht, increased by 127.9 million baht compared to the year 2019, which has total liabilities of 646.2 million baht, mainly due to an increase in trade payables following business expansion and lease liabilities (Financial Reporting Standards 16).

Shareholders' Equity

Shareholders' equity of the Company and its subsidiaries for the year ended 2020 amounted to 2,873.1 million baht, an increase of 129.3 million baht compared to the year 2019 at 2,743.8 million baht, or an increase of 4.7%. The main reason is the increase in retained earnings to 1,433.3 million baht, which is an increase from the net profit of 386.0 million baht from the year 2019, less dividend payment of 252.6 million baht.

Cash Flow

Summary of cash flow statement of Sappe Public Company Limited and its subsidiaries

	Year 2020	Year 2019	Year 2018	Year 2017
Net cash from (used in) operating activities	539,910,069	605,655,849	433,473,242	712,113,596
Net cash from (used in) investing activities	(251,551,165)	(387,579,109)	(216,882,071)	(765,491,877)
Net cash from (used in) financing activities	(275,663,481)	(209,018,592)	(199,638,061)	(149,442,663)
Cash and cash equivalents as of 1 January	181,695,045	172,637,193	155,684,171	358,505,286
Effects of the disposal of investments in subsidiaries	-	-	-	-
Effects from the balance of exchange rates at the end of the year	(1,463)	(296)	(88)	(171)
Total cash and cash equivalents as of 31 December	194,389,005	181,695,045	172,637,193	155,684,171

The Company and its subsidiaries have net cash carried from December 31, 2020, equal to 194.4 million baht, with the net income from operating activities of 539.9 million baht, mainly due to the increase in core net profit for the year 2020 at 386.0 million baht and adjustments for depreciation and amortization at 202.2 million baht.

Net cash used in investing activities of 251.5 million baht, was mainly composed of: investing in temporary investments and long-term investment of 178.3 million baht, investment in buildings and equipment of 77.4 million baht from regular machinery maintenance and investment in assets during construction and installation. Whereas net cash used in financing activities of 275.7 million baht consisted of the main factor being cash used in dividend payments of 252.6 million baht.

From all of the above cash received and used, the company and its subsidiaries have a cash balance remaining at the end of the year as of December 31, 2020, which amounted to 194.4 million baht.

Key Financial Ratios

Liquidity Ratio

At the end of 2020, the company and its subsidiaries have a liquidity ratio of 3.52 times and a quick ratio of 3.05 times, that is, the current assets were still higher than current liabilities, indicating the favorable liquidity of the company.

Debt to Equity Ratio

As of the end of 2020, the company and its subsidiaries have a debt-to-equity ratio of 0.27 times and an interest coverage ratio of 171.7 times, indicating a strong financial structure. It also has the flexibility to obtain additional funding from future borrowing, especially from financial institutions.

Return on Equity

At the end of 2020, the company and its subsidiaries had a 13.74% return on equity, which increased from the year 2020 at 15.59%, mainly due to growth of net profit, although the increase of shareholders' equity results from the increased retained earnings.

Summary of factors that may affect the future operations

External factors that affect the company's operations, which result in failing to meet the target set or significant changes from the previous year include:

- 1) Competition and changing business environment both domestically and internationally affect the growth rate of the beverage market, which is highly competitive.
- 2) The exchange rate between the Thai baht and the US dollar
- 3) The product cost that may rise as some of the main raw materials are commodities such as sugar and PET resin, including the coconut product cost is the main product used in production and distribution by All Coco Group Co., Ltd. that is subject to change according to the market price in each season.
- 4) The risk of the COVID-19 epidemic that began spreading since late 2019, affecting the overall economy in both domestic and international markets

(Details of risk factors and risk mitigation measures refer to the risk heading)

The company realizes the external factors that may have such effects and therefore analyzes and adjusts its operating strategies to be appropriate and in line with the changing situations.

The investors can learn more details about the issuer company from Annual Registration Statement (Form 56-1) provided on www.sec.or.th or the Company's website, www.sappe.com

Report of the Board of Directors' Responsibilities to Financial Reporting

The Board of Directors is responsible for the financial statements of Sappe Public Company Limited ("Company") and its subsidiaries, which are prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, the Accounting Profession Act B.E. 2547, the interpretation and guidelines on accounting issued by the Federation of Accounting Professions, and the Securities and Exchange Act B.E. 2535. Regarding the preparation of financial reports, the Company has chosen and implemented under the appropriate accounting policies consistently, including sufficient disclosure of important information in the notes of financial statements and unconditional procurement of comments on the financial statements of the Company in the auditors' reports.

In addition, the Board of Directors is responsible for overseeing, establishing, and maintaining the internal control and risk management to ensure that accounting records are accurate, complete, timely and sufficient to maintain assets as well as preventing fraud or committing an offense against the Company. In this regard, the Board of Directors has appointed the Audit Committee consisting of independent directors overseeing financial statements and assessing the internal control and internal audit systems for efficiency and effectiveness. For this reason, The Board of Directors is of the opinion that, with the internal control and internal audit systems of the Company, the Company can build confidence that the Company's financial statements and financial reports are accurate in substantial.

On behalf of the Board of Directors,



Mr. Anan Ruckariyapong
(Director)



Mr. Arnupap Ruckariyapong
(Director)

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 2020, 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 2020 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 4 (g) and 9 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 4 (o) and 17 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.

Impairment of goodwill arising from business combination of a subsidiary	
Refer to Notes 4 (a), 4 (k), 6, 11 and 15 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2020, the Group has recorded Baht 90.90 million recorded which resulted from the acquisition of All Coco Group Co., Ltd. The Company's management considered that current economic is still uncertain which may affect to the indirect subsidiary of the Company that are manufacturing and distributing coconut products. The operating results of the indirect subsidiary may be significantly less than its plan. The Company's management determines recoverable amounts by utilizing the value in use model. As a result, the future cash flows may lower than the carrying amount of investments in indirect subsidiary and impairment of investment may be required.</p> <p>Due to the materiality of the transactions and the significant judgment of management involved in the impairment assessment of goodwill and investments considers whether the carrying amount of the assets exceeds the recoverable amount, the estimated future cash flows, growth rates and the discount rates. Consequently, I consider that this is a significant matter.</p>	<p>My audit procedures included :</p> <ul style="list-style-type: none"> - Inquiring of management to obtain an understanding of the process used for assessing the reasonableness of the expected recoverable amounts and preparing cash flow projection from management approved budget; - Assessing the reasonableness of the future cash flows by comparing historical operating result, current operating result and future plan of indirect subsidiary; - Considering the reasonableness of assumptions of revenue growth rate compare with the economic growth rate and the indirect subsidiary's business plan; - Evaluated the financial parameters applied to the discount rate; - Assessing the suitability of the discount rate applied to the future cash flows and benchmarked this against other companies in the industry; - Performing the sensitivity analysis of key assumption; 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
25 February 2021

Statement of financial position

Sappe Public Company Limited and its Subsidiaries

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	8, 28	194,389,005	181,695,045	151,917,400	124,386,959
Trade accounts receivable	3, 7, 28	435,587,557	352,869,006	418,916,890	334,594,602
Other current receivables	7	64,461,846	40,948,620	63,018,425	42,867,835
Short-term loans to related parties	7, 28	-	-	5,610,000	7,650,000
Inventories	9	221,066,443	216,897,035	175,509,538	188,977,242
Other current financial assets	3, 28	1,415,102,085	1,132,132,459	1,415,102,085	1,132,132,459
Other current assets		30,710,236	19,334,890	18,118,201	18,666,106
Total current assets		2,361,317,172	1,943,877,055	2,248,192,539	1,849,275,203
Non-current assets					
Investment in associates	6, 10	14,189,086	29,744,235	-	-
Investment in subsidiaries	6, 11	-	-	290,161,757	290,161,757
Other non-current financial assets	28	-	100,000,000	-	100,000,000
Property, plant and equipment	13	1,006,220,547	1,133,839,607	881,240,267	973,006,063
Right-of-use assets	3, 7, 14	96,762,821	-	63,124,005	-
Goodwill	6, 15	90,898,858	90,898,858	-	-
Intangible assets other than goodwill	16	49,952,033	56,062,414	40,338,574	46,517,849
Deferred tax assets	3, 25	18,306,227	14,957,209	18,210,524	14,921,300
Other non-current assets	7	9,513,149	20,587,289	5,515,238	5,368,738
Total non-current assets		1,285,842,721	1,446,089,612	1,298,590,365	1,429,975,707
Total assets		3,647,159,893	3,389,966,667	3,546,782,904	3,279,250,910

Statement of financial position

Sappe Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current liabilities					
Bank overdraft	28	1,461,577	-	-	-
Trade accounts payable	7, 28	217,939,063	182,074,937	228,783,459	179,783,574
Other current payables	7, 17	360,001,325	366,347,708	335,208,706	345,159,472
Current portion of long-term borrowing					
from financial institutions	28	30,967	103,321	-	-
Short-term borrowings from related parties	7, 28	9,352,252	10,975,396	-	-
Current portion of lease liabilities (2019:					
Current portion of finance lease liabilities)	14, 28	25,330,211	6,503,844	11,571,080	-
Current income tax payable		56,390,480	36,699,650	55,824,390	36,596,193
Total current liabilities		670,505,875	602,704,856	631,387,635	561,539,239
Non-current liabilities					
Long-term borrowing from financial institutions		-	29,089	-	-
Lease liabilities (2019: Finance lease liabilities)	14, 28	65,898,173	12,448,218	56,997,371	-
Deferred tax liabilities	25	2,907,109	2,570,796	-	-
Non-current provisions for employee benefits	18	27,612,912	20,302,955	27,020,956	19,955,202
Other non-current liabilities	7	7,128,331	8,141,254	-	-
Total non-current liabilities		103,546,525	43,492,312	84,018,327	19,955,202
Total liabilities		774,052,400	646,197,168	715,405,962	581,494,441

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

Statement of financial position

Sappe Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Equity					
Share capital	19, 20				
Authorised share capital		308,438,080	308,438,080	308,438,080	308,438,080
Issued and paid-up share capital		304,378,080	304,378,080	304,378,080	304,378,080
Share premium on ordinary shares	19	975,607,543	975,607,543	975,607,543	975,607,543
Warrants	20	27,801,990	20,931,117	27,801,990	20,931,117
Retained earnings					
Legal reserve	21	30,843,808	30,843,808	30,843,808	30,843,808
Unappropriated		1,433,294,150	1,312,461,984	1,492,745,521	1,365,995,921
Difference arising from common					
control transactions	21	(4,365,342)	(4,365,342)	-	-
Currency translation differences	21	4,028,594	7,337,251	-	-
Equity attributable to owners of the parent		2,771,588,823	2,647,194,441	2,831,376,942	2,697,756,469
Non-controlling interests	12	101,518,670	96,575,058	-	-
Total equity		2,873,107,493	2,743,769,499	2,831,376,942	2,697,756,469
Total liabilities and equity		3,647,159,893	3,389,966,667	3,546,782,904	3,279,250,910

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

Statement of income

Sappe Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Revenue					
Revenue from sale of goods	7, 22	3,268,083,931	3,299,477,568	2,991,877,609	3,051,476,235
Other income	7	52,848,886	69,919,411	50,198,136	65,584,971
Gain from change in interest in associates	6	-	10,081,532	-	-
Net foreign exchange gain		-	7,377,995	-	12,271,697
Total revenue		3,320,932,817	3,386,856,506	3,042,075,745	3,129,332,903
Expenses					
Cost of sales of goods	24	2,067,231,583	2,083,847,334	1,854,783,359	1,888,396,711
Distribution costs	24	451,485,324	490,110,418	423,243,272	456,897,873
Administrative expenses	24	298,358,591	290,698,512	273,152,073	265,396,680
Net foreign exchange loss		5,906,280	-	9,339,106	-
Total expenses		2,822,981,778	2,864,656,264	2,560,517,810	2,610,691,264
Profit from operating activities		497,951,039	522,200,242	481,557,935	518,641,639
Finance costs	7	(3,152,940)	(1,116,117)	(2,098,891)	(232)
Reversal of impairment loss determined in accordance with TFRS 9	28	2,673,744	-	1,649,406	-
Share of loss from associates accounted for using equity method	6, 10	(15,555,149)	(18,346,282)	-	-
Profit before income tax expense		481,916,694	502,737,843	481,108,450	518,641,407
Tax expense	25	95,966,291	100,011,274	94,472,891	99,746,827
Profit for the year		385,950,403	402,726,569	386,635,559	418,894,580
Profit (loss) attributable to:					
Owners of the parent		380,160,972	403,062,676	386,635,559	418,894,580
Non-controlling interests	12	5,789,431	(336,107)	-	-
		385,950,403	402,726,569	386,635,559	418,894,580
Earnings per share					
Basic earnings per share	26	1.25	1.32	1.27	1.38
Diluted earnings per share		1.25	1.32	1.27	1.38

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

Statement of comprehensive income

Sappe Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Profit for the year		385,950,403	402,726,569	386,635,559	418,894,580
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(3,732,073)	4,354,730	-	-
Items that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans	18, 25	-	525,218	-	525,218
Other comprehensive income (expense) for the year, net of tax		(3,732,073)	4,879,948	-	525,218
Total comprehensive income for the year		<u>382,218,330</u>	<u>407,606,517</u>	<u>386,635,559</u>	<u>419,419,798</u>
Total comprehensive income attributable to:					
Owners of the parent		376,852,316	407,501,235	386,635,559	419,419,798
Non-controlling interests	12	5,366,014	105,282	-	-
		<u>382,218,330</u>	<u>407,606,517</u>	<u>386,635,559</u>	<u>419,419,798</u>

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

Statement of changes in equity

Sappe Public Company Limited and its Subsidiaries

Year ended 31 December 2019

Balance at 1 January 2019	304,368,080	975,342,956	9,069,233	30,843,808	1,109,704,196	(4,365,342)	3,423,910	(941,432)	2,428,386,841	(4,846,427)	2,423,540,414
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the parent											
Shares options exercised	19, 20	10,000	264,587	(68,987)	-	-	-	-	205,600	-	205,600
Share-based payment transactions	20	-	-	11,930,871	-	-	-	-	11,930,871	-	11,930,871
Dividends	27	-	-	-	(200,830,106)	-	-	-	(200,830,106)	-	(200,830,106)
Total contributions by and distributions to owners of the parent		10,000	264,587	11,861,884	(200,830,106)	-	-	-	(188,693,635)	-	(188,693,635)

Changes in ownership interests in subsidiaries

Acquisition of non-controlling interests with a change in control

6	-	-	-	-	-	-	-	-	-	101,316,203
<i>Total changes in ownership interests in subsidiaries</i>		-	-	-	-	-	-	-	-	101,316,203

Total transactions with owners, recorded directly in equity

	10,000	264,587	11,861,884	-	(200,830,106)	-	-	-	(188,693,635)	101,316,203
<i>Total transactions with owners, recorded directly in equity</i>										(87,377,432)

Comprehensive income for the year

Profit or loss	-	-	-	-	403,062,676	-	-	-	-	403,062,676
Other comprehensive income	-	-	-	-	525,218	-	-	3,913,341	3,913,341	4,438,559
<i>Total comprehensive income for the year</i>		-	-	-	403,587,894	-	-	3,913,341	3,913,341	407,501,235

Balance at 31 December 2019

	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

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

Statement of changes in equity

Consolidated financial statements												
	Note	Retained earnings		Other components of equity							Total equity	
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Difference arising from common control transactions reserve	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests		
												(in Baht)
Year ended 31 December 2020												
Balance at 31 December 2019 - as reported	3	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	20	-	-	6,870,873	-	-	-	-	-	6,870,873	-	6,870,873
Dividends	27	-	-	-	-	(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 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	(336,748)	2,771,588,823	101,518,670	2,873,107,493

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

Statement of changes in equity

Sappe Public Company Limited and its Subsidiaries

	Separate financial statements						
	Issued and paid-up share capital	Share premium	Warrants	Retained earnings			Total equity
				Legal reserve	Unappropriated		
<i>(in Baht)</i>							
Year ended 31 December 2019							
Balance at 1 January 2019	304,368,080	975,342,956	9,069,233	30,843,808	1,147,406,229	2,467,030,306	
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Shares options exercised	19, 20	10,000	264,587	(68,987)	-	205,600	
Share-based payment transactions	20	-	-	11,930,871	-	11,930,871	
Dividends	27	-	-	-	(200,830,106)	(200,830,106)	
<i>Total contributions by and distributions to owners</i>							
		10,000	264,587	11,861,884	(200,830,106)	(188,693,635)	
<i>Comprehensive income for the year</i>							
Profit		-	-	-	418,894,580	418,894,580	
Other comprehensive income		-	-	-	525,218	525,218	
<i>Total comprehensive income for the year</i>							
		-	-	-	419,419,798	419,419,798	
Balance at 31 December 2019	304,378,080	975,607,543	20,931,117	30,843,808	1,365,995,921	2,697,756,469	

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

Statement of changes in equity

Sappe Public Company Limited and its Subsidiaries

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 2020							
Balance at 31 December 2019 - as reported							
		304,378,080	975,607,543	20,931,117	30,843,808	1,365,995,921	2,697,756,469
	3	-	-	-	-	(7,318,553)	(7,318,553)
Balance at 1 January 2020							
		304,378,080	975,607,543	20,931,117	30,843,808	1,358,677,368	2,690,437,916
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
	20	-	-	6,870,873	-	-	6,870,873
	27	-	-	-	-	(252,567,406)	(252,567,406)
Total contributions by and distributions to owners							
		-	-	6,870,873	-	(252,567,406)	(245,696,533)
Comprehensive income for the year							
		-	-	-	-	386,635,559	386,635,559
Total comprehensive income for the year							
		-	-	-	-	386,635,559	386,635,559
Balance at 31 December 2020							
		304,378,080	975,607,543	27,801,990	30,843,808	1,492,745,521	2,831,376,942

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

Statement of cash flows

Sappe Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
(in Baht)					
Cash flows from operating activities					
Profit for the year		385,950,403	402,726,569	386,635,559	418,894,580
Adjustments to reconcile profit to cash receipts					
(payments)					
Tax expense	25	95,966,291	100,011,274	94,472,891	99,746,827
Finance costs		3,152,940	1,116,117	2,098,891	232
Depreciation	13,14,24	195,514,251	183,732,483	173,860,938	161,923,153
Amortisation	16, 24	6,650,595	7,544,275	6,503,989	7,412,026
Reversal of impairment loss recognised in profit or loss	28	(2,673,744)	-	(1,649,406)	-
Bad and doubtful debts expenses (reversal)	28	-	1,169,795	-	(297,220)
Loss on inventories devaluation	9	10,787,153	1,886,954	10,846,749	2,644,307
Unrealised (gain) loss on exchange rates		(4,372,922)	(424,619)	(5,328,883)	767,115
Unrealised gain from current investment revaluation	28	(7,096,700)	(11,242,203)	(7,096,700)	(11,242,203)
Gain on sale of current investments	28	2,429,593	(5,085,172)	2,429,593	(5,085,172)
Gain from changes in interest in associate	6	-	(10,081,532)	-	-
(Gain) loss on disposal of plant and equipment		434,061	(47,435)	(1,041,109)	(944,389)
Loss on disposal of intangible assets		71,312	-	71,312	-
Share of loss of interest in associates accounted					
for using equity method, net of tax	10	15,555,149	18,346,282	-	-
Non-current provisions for employee benefits		7,749,957	8,902,130	7,505,754	8,742,045
Share-based payment	20	6,870,873	11,930,871	6,870,873	11,930,871
Interest income		(4,728,146)	(2,237,386)	(5,226,098)	(2,590,929)
Dividend income		(457,201)	(1,371,604)	(457,201)	(1,371,604)
		711,803,865	706,876,799	670,497,152	690,529,639
Changes in operating assets and liabilities					
Trade accounts receivable		(82,575,976)	(71,982,710)	(84,069,090)	(90,380,918)
Other current receivables		(22,682,958)	2,434,285	(20,620,786)	(5,401,743)
Inventories		(14,956,561)	10,051,549	2,620,955	18,014,908
Other current assets		(11,375,346)	(10,411,218)	547,905	(11,018,923)
Other non-current assets		11,074,140	63,511	(146,500)	(73,060)
Trade accounts payable		35,843,009	(959,937)	48,978,767	4,519,668
Other current payables		(4,948,855)	65,711,976	(8,472,689)	77,930,645
Other non-current liabilities		(1,356,000)	-	-	-
Foreign currency translation differences of subsidiaries		(3,232,232)	(1,270,932)	-	-
Net cash generated from operating		617,593,086	700,513,323	609,335,714	684,120,216
Provisions for employee benefits paid		(440,000)	(565,000)	(440,000)	(565,000)
Taxes paid		(77,243,017)	(94,292,474)	(76,704,280)	(93,314,671)
Net cash from operating activities		539,910,069	605,655,849	532,191,434	590,240,545

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

Statement of cash flows

Sappe Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Cash flows from investing activities					
Payment on investments in subsidiaries	11	-	-	-	(93,000,000)
Acquisition of subsidiary, net of cash acquired	6	-	6,570,780	-	-
Acquisition of associate	10	-	(50,000,000)	-	-
Acquisition of current investments	28	(2,542,101,573)	(1,600,000,000)	(2,542,101,573)	(1,600,000,000)
Proceeds from sale of current investments	28	2,263,799,054	1,400,000,000	2,263,799,054	1,400,000,000
Acquisition of other long-term investments	28	-	(50,000,000)	-	(50,000,000)
Proceeds from sale of other long-term investments	28	100,000,000	-	100,000,000	-
Acquisition of plant and equipment		(77,402,660)	(92,859,757)	(69,255,585)	(84,881,515)
Proceeds from sale of plant and equipment		1,249,388	980,255	1,050,000	944,393
Acquisition of intangible assets		(2,280,722)	(5,879,377)	(400,222)	(1,618,984)
Proceeds from repayment of loans to related party	7	-	-	2,040,000	350,000
Dividends received		457,201	1,371,604	457,201	1,371,604
Interest received		4,728,147	2,237,386	5,524,054	2,047,487
Net cash used in investing activities		(251,551,165)	(387,579,109)	(238,887,071)	(424,787,015)
Cash flows from financing activities					
Proceeds from bank overdrafts		2,429,615	-	-	-
Repayment of bank overdrafts		(968,038)	(948,461)	-	-
Proceeds from exercise of share options		-	205,600	-	205,600
Repayment of short-term borrowings		(1,960,000)	-	-	-
Repayment of long-term borrowings		(101,444)	(88,091)	-	-
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)		(18,854,362)	(5,628,541)	(11,106,162)	-
Dividend paid to owners of the Company	27	(252,567,406)	(200,830,106)	(252,567,406)	(200,830,106)
Interest paid		(3,641,846)	(1,728,993)	(2,098,891)	(232)
Net cash used in financing activities		(275,663,481)	(209,018,592)	(265,772,459)	(200,624,738)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		12,695,423	9,058,148	27,531,904	(35,171,208)
Effect of exchange rate changes on cash and cash equivalents		(1,463)	(296)	(1,463)	(296)
Net increase (decrease) in cash and cash equivalents		12,693,960	9,057,852	27,530,441	(35,171,504)
Cash and cash equivalents at 1 January		181,695,045	172,637,193	124,386,959	159,558,463
Cash and cash equivalents at 31 December	8	194,389,005	181,695,045	151,917,400	124,386,959
Non-cash transactions					
Outstanding payables for purchases of plant and equipment		7,997,980	5,718,375	5,091,946	4,289,769
Outstanding payables for purchases of intangible assets		91,042	95,238	91,042	95,238
Vehicle acquired by way of finance leases		-	381,416	-	-
The accompanying notes from an integral part of the financial statements.					

Notes to the financial statements

Sappe Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2021.

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 2020 and 2019 were as following:

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

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions; the applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency.

(c) *Use of judgements and estimates*

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.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4 (j) and 14	Leases: <ul style="list-style-type: none">- whether an arrangement contains a lease;- whether the Group is reasonably certain to exercise extension options;- whether the Group exercise termination options;
4 (q) and 22	Revenue recognition is recognised over time or at a point in time;
10	Equity-accounted investees: whether the Group has significant influence over an investee.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4 (j)	Determining the incremental borrowing rate to measure lease liabilities;
15	Impairment test of goodwill: key assumptions underlying recoverable amounts;
18	Measurement of defined benefit obligations: key actuarial assumptions;
20	Measurement of share-based payments;
25	Recognition of deferred tax asset: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.
28	Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate; and
28	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

In addition, on 1 January 2020, a subsidiary has changed their estimated useful life of machinery according to new estimated useful life. This change in estimate has been applied prospectively to the financial statements from the date of the change in estimate. The Group have completed assessment of the impact on the consolidated financial statements and expect that there is no material impact.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

<i>Impact on changes in accounting policy</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Retained earnings	Other components of equity (in thousand Baht)	Retained earnings	Other components of equity
At 31 December 2019 - as reported		1,312,462	2,972	1,365,996	-
<i>Increase (decrease) due to:</i>					
Adoption of TFRS - Financial instruments standards					
Classification of financial instruments	(a.1)	(1,264)	-	(1,264)	-
Impairment losses on financial assets	(a.2)	(2,502)	-	(3,380)	-
Related tax		977	-	928	-
Adoption of TFRS 16 - net of tax	(b)	(3,972)	-	(3,603)	-
At 1 January 2020 - restated		1,305,701	2,972	1,358,677	-

(a) TFRS - Financial instruments standards

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

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(d) and 4(k). The impact from adoption of TFRS – Financial instruments standards are as follows:

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

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

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

The following table shows classification and measurement categories under TAS 105 and TFRS 9.

Consolidated financial statements				
Classification under TAS 105 at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	FVTPL (in thousand Baht)	Amortised cost - net	Total
Financial assets				
Current investments				
Short-term deposits at financial institutions	181,643	-	181,643	181,643
Debt securities held for trading	1,132,132	1,132,132	-	1,132,132
Total	1,313,775	1,132,132	181,643	1,313,775
Other long-term investments				
Long-term deposits at financial institutions	100,000	-	100,000	100,000
Derivative assets	2,514	1,250	-	1,250

Separate financial statements				
Classification under TAS 105 at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	FVTPL <i>(in thousand Baht)</i>	Amortised cost - net	Total
<i>Financial assets</i>				
<i>Current investments</i>				
Short-term deposits at financial institutions	124,387	-	124,387	124,387
Debt securities held for trading	1,132,132	1,132,132	-	1,132,132
Total	1,256,519	1,132,132	124,387	1,256,519
<i>Other long-term investments</i>				
Long-term deposits at financial institutions	100,000	-	100,000	100,000
Derivative assets	2,514	1,250	-	1,250

(a.2) Impairment - Financial assets and contract assets

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

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

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

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

(a.3) Derivatives

Under TFRS 9, all derivatives are measured at fair value in the statement of financial position.

(b) TFRS 16 Leases

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

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

On transition, the Group also elected to use the following practical expedients:

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

<i>Impact from the adoption of TFRS 16</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>At 1 January 2020</i>		
Decrease in property, plant and equipment	(24,422)	-
Increase in right-of-use assets	110,145	75,170
Increase in deferred tax assets	1,082	901
Increase in lease liabilities	(91,131)	(79,674)
Decrease in retained earnings	3,972	3,603
	Consolidated financial statements	Separate financial statements
<i>Measurement of lease liability</i>	<i>(in thousand Baht)</i>	
Operating lease commitment as disclosed at 31 December 2019	17,798	10,786
Operating lease commitment - related parties at 31 December 2019	61,014	48,352
Recognition exemption for short-term leases	(10,635)	(5,755)
Extension and termination options reasonably certain to be exercised	41,055	38,626
	109,232	92,009
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	91,131	79,674
Finance lease liabilities recognised as at 31 December 2019	18,952	-
Lease liabilities recognised at 1 January 2020	110,083	79,674
Weighted-average incremental borrowing rate (% per annum)	0.14 - 0.37	0.14 - 0.29

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

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(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.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

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

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

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.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, other professional and consulting fees are expensed as incurred.

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.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings 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.

Subsidiaries

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.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

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

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees 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.

(b) *Investments in associates and subsidiaries*

Investments in subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) *Foreign currencies*

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

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

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity 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 or joint control 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 foreign currency translation reserve in equity until disposal of the investment.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

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

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

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.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

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.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged.

Accounting policies applicable before 1 January 2020

Investments in debt securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Derivatives

Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(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 comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate weighted average cost.

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*

Recognition and measurement

Owned assets

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 the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

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

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	5-10	years
Buildings and building improvement	5-20	years
Machinery and equipment	3-15	years
Furniture, fixtures and office equipment	3-20	years
Vehicles	5-8	years

No depreciation is provided on freehold land, land reclamation recorded as part of land improvement and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) *Intangible assets*

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, 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, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licences	3-10 years
Trademarks and copyrights	Agreement life

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Leases*

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components 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 lease payments made at or before the commencement date, 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 cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

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 change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. 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.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(k) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables and loans to related parties).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

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

Loss allowances for all other financial instruments, 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. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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 assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments' 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.

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.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

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.

Accounting policies applicable before 1 January 2020

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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

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

Calculation of recoverable amount

The recoverable amount of a non-financial asset 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.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of [other] non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

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

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

Other long-term employee benefits

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

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 benefits

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.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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 and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

(q) Revenue

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 and is after deduction of any trade discounts and volume rebates.

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

(r) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(s) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(t) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are 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 the expected tax payable or receivable on 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 following 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.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current tax and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

(u) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. 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.

(v) *Related parties*

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

(w) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly assets and liabilities segment.

5 Impact of COVID-19 Outbreak

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

6 Acquisition of subsidiary

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

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

Identifiable assets acquired and liabilities assumed

	Note	Fair value (in thousand Baht)
Cash and cash equivalents		48,921
Trade accounts receivable		32,746
Other current receivables		6,321
Inventories		15,059
Other current assets		257
Property, plant and equipment	13	171,659
Intangible assets	16	5,416
Other non-current assets		15,355
Trade accounts payable		(6,690)
Other current payables		(29,652)
Short-term loans		(21,000)
Tax payable		(1,212)
Long-term loans from financial institutions		(220)
Lease liabilities		(23,865)
Deferred tax liabilities	25	(2,140)
Non-current provisions for employee benefit	18	(188)
Other non-current liabilities		(4,000)
Total identifiable net assets		206,767
<i>Less: Non-controlling interests (49%)</i>		<i>101,316</i>
Total identifiable net assets received		105,451
<i>Less: Fair value of previously-held interests before business combination</i>		<i>154,000</i>
<i>Less: Purchase consideration transferred</i>		<i>42,350</i>
Goodwill arising from the acquisition		90,899
Net cash acquired with the subsidiary		48,921
Cash paid		42,350
Net cash inflows		6,571

Goodwill

The remeasurement to fair value of the Group's existing 40 percent interest in the acquiree resulted in a gain of Baht 10.08 million in comprehensive income in 2019 (Baht 154.00 million less Baht 143.92 million carrying value of equity-accounted investee at acquisition date), which has been recognised in gain from changes in interest in associate in the statement of comprehensive income.

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

7 Related parties

Relationships with subsidiaries and associates are described in notes 1, 10 and 11. 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.
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)

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods	Market price or contractually agreed rate
Purchase of goods	At agreed rate
Other income	At agreed rate
Purchase of machinery and equipment	Market price or contractually agreed rate
Rental and other expenses	At agreed rate
Distribution costs and administrative expenses	At agreed rate
Key management personnel compensation	Approved by directors
Consulting fee	Contractually agreed rate
Interest income	Contractually agreed rate
Interest expense	Contractually agreed rate
Rental expense	Contractually agreed rate

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Subsidiaries				
Sales of goods	-	-	331	5,962
Purchase of goods	-	-	58,931	17,152
Purchase of machinery and equipment	-	-	-	532
Other income	-	-	-	180
Interest income	-	-	549	575
Distribution costs and administrative expenses	-	-	468	468

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associates				
Sales of goods	14,393	8,681	14,393	8,681
Purchase of goods	230,357	186,582	230,357	186,582
Other income	11,970	13,980	11,970	13,980
Other related parties				
Sales of goods	3,992	5,648	3	4
Purchases of machinery and equipment	73	779	73	779
Other income	932	365	932	365
Rental and other expenses	169	7,996	169	7,666
Consultant fee	1,200	1,200	1,200	1,200
Distribution costs and administrative expenses	48	141	17	112
Interest expense	258	357	-	-
Key management personnel				
Short-term employee benefit and others	54,745	56,988	54,745	56,988
Long-term employee benefit	2,218	2,180	2,218	2,180
Share-based payments	1,760	3,056	1,760	3,056

Intercompany sales to and purchase from associates described above excluded co-packing and distribution with an indirect associate of Baht 161.28 million for the year ended 31 December 2020 (2019: Baht 147.41 million).

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

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sappe Europe s.r.o.	-	-	-	1,392
All Coco Group Co., Ltd.	-	-	37	-
Associate				
Danone Sappe Beverages Co., Ltd.	40,046	14,385	40,046	14,385
Other related parties				
On Fifth Co., Ltd.	-	1	-	1
Italmarket Slovakia, a.s.	362	499	-	-
Net	40,408	14,885	40,083	15,778
Expected credit losses (2019: Bad and doubtful debts expense) for the year	-	-	-	-

Other receivables	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sappe Europe s.r.o.	-	-	2,832	2,274
Sappe Trading (Shanghai) Co., Ltd.	-	-	10,005	9,874
Sappe Holding (Thailand) Co., Ltd.	-	-	833	833
Sappe Trading (Hong kong) Company Limited	-	-	306	204
All Coco Group Co., Ltd.	-	-	947	1,938
All Coco Co., Ltd.	-	-	46	290
Associate				
Danone Sappe Beverages Co., Ltd.	7,438	10,323	7,438	10,323
Other related parties				
Hayashi Products Co., Ltd.	30	34	30	34
	<u>7,468</u>	<u>10,357</u>	<u>22,437</u>	<u>25,770</u>
Less allowance for impairment (2019: allowance for doubtful accounts)	-	-	(13,369)	(12,148)
Net	<u>7,468</u>	<u>10,357</u>	<u>9,068</u>	<u>13,622</u>
Expected credit losses (Reversal) (2019: Bad and doubtful debts expense) for the year	<u>-</u>	<u>-</u>	<u>(1,079)</u>	<u>276</u>

Loans to	Interest rate	Consolidated financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
2019					
Associates					
All Coco Group Co., Ltd.	-	4,800	-	4,800	-
All Coco Co., Ltd.	-	3,200	-	3,200	-
Total		<u>8,000</u>			<u>-</u>

Loans to	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease Foreign currency difference (in thousand Baht)	At 31 December
2020					
Subsidiaries					
Sappe Europe s.r.o.	4	7,892	-	737	8,629
All Coco Group Co., Ltd.	3.2	4,590	-	1,530	3,060
All Coco Co., Ltd.	3.2	3,060	-	510	2,550
Total		<u>15,542</u>			<u>14,239</u>
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		<u>(7,892)</u>			<u>(8,629)</u>
Net		<u>7,650</u>			<u>5,610</u>

Loans to	Interest rate	Separate financial statements				At 31 December
	At 31 December (% per annum)	At 1 January	Increase	Decrease (in thousand Baht)	Foreign currency difference	
2019						
Subsidiaries						
Sappe Europe s.r.o.	4	8,692	-	-	(800)	7,892
All Coco Group Co., Ltd.	3.2	-	4,800	210	-	4,590
All Coco Co., Ltd.	3.2	-	3,200	140	-	3,060
Associates						
All Coco Group Co., Ltd.	-	4,800	-	4,800	-	-
All Coco Co., Ltd.	-	3,200	-	3,200	-	-
Total		16,692				15,542
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		(8,692)				(7,892)
Net		8,000				7,650

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Expected credit losses (2019: Bad and doubtful debts expense) of loan to for the year	-	-	737	(800)

	Consolidated		Separate	
	financial statements		financial statements	
<i>Other non-current assets</i>	2020	2019	2020	2019
	<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	2,230	2,230	2,230	2,230

	Consolidated financial statements		Separate financial statements	
<i>Trade accounts payable</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary				
All Coco Group Co., Ltd.	-	-	14,206	2,509
Associate				
Danone Sappe Beverages Co., Ltd.	68,116	42,806	68,116	42,806
Total	68,116	42,806	82,322	45,315

<i>Other payable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary				
All Coco Group Co., Ltd.	-	-	77	314
Other related parties				
Italmarket Slovakia, a.s.	627	520	-	-
Toyox Trading (Thailand) Co., Ltd.	11	3	11	3
3T Engineering Co., Ltd	-	281	-	281
Director	48	349	-	-
Key management personnel	48	349	-	-
Total	734	1,502	88	598

<i>Loans from</i>	Interest rate	Consolidated financial statements				
	At 31 December <i>(% per annum)</i>	At 1 January	Increase	Decrease	Foreign currency difference	At 31 December
			<i>(in thousand Baht)</i>			
2020						
Other related parties						
Italmarket Slovakia, a.s.	2	2,699	-	-	251	2,950
Director	0 - 3.2	4,518	-	980	79	3,617
Key management personnel	3.2	3,675	-	980	-	2,695
Other related parties	-	83	-	-	7	90
Total		10,975				9,352

2019						
Other related parties						
Italmarket Slovakia, a.s.	2	2,970	-	-	(271)	2,699
Director	0 - 3.2	928	6,500	2,825	(85)	4,518
Key management personnel	3.2	-	6,500	2,825	-	3,675
Other related parties	-	86	-	-	(3)	83
Total		3,984				10,975

<i>Other non-current liability</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related party				
Director	4,022	3,679	-	-

The memorandum of association of a subsidiary states that the subsidiary has to pay dividends from net profit of Euro 109,076.03 to a shareholder. The first gainer is a shareholder and then the rest of the profit will be allocated according to the proportion of the investment held. As of 31 December 2020, the management considered to recognise a provision following the regulations of the subsidiary of Baht 4.02 million (2019: Baht 3.68 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.

(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.

Significant agreements with related parties

The Group has land and building lease agreements with related parties, and from 1 January 2020, the Group has initially applied TFRS 16 that affect the related parties transaction balance as at 31 December 2020 and for the period ended 31 December 2020 as follows:

<i>At 31 December 2020</i>	Consolidated financial statements (in thousand Baht)	Separate financial statements
Other related parties		
Right-of-use assets	36,557	30,380
Lease liabilities	41,488	34,441

<i>Year ended 31 December 2020</i>	Consolidated financial statements (in thousand Baht)	Separate financial statements
Other related parties		
Depreciation	7,454	7,213
Finance costs	1,391	1,079

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	44	52	-	-
Cash at banks - current accounts	45,540	78,618	45,461	33,488
Cash at banks - savings accounts	148,805	103,025	106,456	90,899
Cash and cash equivalents in the statement of financial position	194,389	181,695	151,917	124,387
Cash and cash equivalents in the statement of cash flows	194,389	181,695	151,917	124,387

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	94,420	62,744	58,525	48,807
Trading goods	10,787	6,917	10,311	6,273
Work in progress	8,390	17,625	5,408	13,758
Raw materials	42,002	36,820	41,633	36,288
Package and packing material	50,016	71,143	46,851	66,695
Spare parts, factory supplies and others	31,571	26,557	28,236	22,543
Goods in transit	990	1,458	990	210
Total	238,176	223,264	191,954	194,574
<i>Less Allowance for decline in value</i>	<i>(2,985)</i>	<i>(1,621)</i>	<i>(2,985)</i>	<i>(1,621)</i>
<i>Allowance for slow moving</i>	<i>(14,125)</i>	<i>(4,746)</i>	<i>(13,459)</i>	<i>(3,976)</i>
Net	221,066	216,897	175,510	188,977

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Inventories recognised in ‘cost of sales of goods’:				
- Cost	2,056,385	2,081,203	1,843,936	1,885,753
- Write-down to net realisable value	1,364	258	1,364	258
- Write-down	9,483	2,386	9,483	2,386
Net	<u>2,067,232</u>	<u>2,083,847</u>	<u>1,854,783</u>	<u>1,888,397</u>

10 Investment in associates

Consolidated financial statements									
Type of business	Ownership interest (%)		Paid-up capital		Cost		Equity	Dividend income	
	2020	2019	2020	2019	2020	2019		2020	2019
<i>(in thousand Baht)</i>									
<i>Indirect associates</i>									
Danone Sappe Beverages Co., Ltd.	25	25	200,000	200,000	50,000	50,000	14,189	29,744	-
Total					50,000	50,000	14,189	29,744	-

An indirect associate was incorporated in Thailand.

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

Acquisitions

In February 2019, Sappe Holding (Thailand) Co., Ltd., a subsidiary made a new investment in 100 percent of the issued and paid up capital of Danone Sappe Beverages Co., Ltd., incorporated in Thailand, for a consideration of Baht 1 million. On 28 February 2019, Danone Sappe Beverages Co., Ltd. registered its share capital from Baht 1 million to Baht 100 million by issuing share capital to Baht 99 million (990,000 shares at Baht 100 per share). Sappe Holding (Thailand) Co., Ltd. has paid-up share capital amounting to Baht 24 million, totalling to Baht 25 million, 25 percent of issued and paid-up share capital. Danone Sappe Beverages Co., Ltd. registered the increase of share capital with the Ministry of Commerce on 28 February 2019.

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

The Group has an option to purchase additional shares in the maximum portion of 24 percent of Danone Sappe Beverages Co., Ltd.'s registered shares within three years after the payment date of the first tranche shares in 2019, at the fair value.

Reclassification to subsidiary

In February 2019, the Group made an additional investment in 11 percent of the issued and paid up capital of All Coco Group Co., Ltd., increasing the Group's interest to 51 percent. All Coco Group Co., Ltd. thereby ceased to be an associated company and became a subsidiary. Details of the acquisition are given in note 6.

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

In this connection, the Company recognised gain on remeasurement of previously held-equity investment in All Coco Group Co., Ltd. of Baht 10.08 million in the statement of comprehensive income during the year ended 31 December 2019.

Associates

The following table summarises the financial information of the associates 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.

	Group of All Coco Group Co., Ltd. From 1 January 2019 to 31 January 2019	Danone Sappe Beverages Co., Ltd. 2020 2019	
			(in thousand Baht)
Revenue	31,715	230,887	186,600
Profit (loss) from continuing operations	4,774	(58,782)	(78,974)
Total comprehensive income (100%)	4,774	(58,782)	(78,974)
Total comprehensive income of the Group's interest	1,909	(14,695)	(19,744)
Elimination of unrealised profit on downstream sales and upstream purchase	-	(860)	(512)
Group's share of total comprehensive income	1,909	(15,555)	(20,256)
Current assets	-	170,617	169,675
Non-current assets	-	150	192
Current liabilities	-	(108,523)	(48,842)
Net assets (100%)	-	62,244	121,025
Group's share of net assets	-	15,561	30,256
Elimination of unrealised profit on downstream sales and upstream purchase	-	(1,372)	(512)
Carrying amount of interest in associates	-	14,189	29,744

11 Investments in subsidiaries

Separate financial statements									
Ownership interest	Paid-up capital	Cost		Impairment		At cost - net		Dividend income	
		2020	2019	2020	2019	2020	2019	2020	2019
(in thousand Baht)									
Direct subsidiaries									
Sappe Europe s.r.o.	60	EUR 6,639	162	162	-	-	162	162	-
Sappe Holding (Thailand) Co., Ltd.	100	Baht 290 million	290,000	290,000	-	-	290,000	290,000	-
Total			290,162	290,162	-	-	290,162	290,162	-
Indirect subsidiaries									
Sappe Trading (Hong Kong) Company Limited	100	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	-

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 2020 (2019: Baht 24.61 million)

In February 2019, Sappe Holding (Thailand) Co., Ltd., which is the subsidiary increase its registered share capital from Baht 197 million to Baht 290 million (29,000,000 shares, at the price of Baht 10 per share) by issue authorised share capital of Sappe Holding (Thailand) Co., Ltd. by Baht 93 million (9,300,000 shares, at the price of Baht 10 per share). The Company made a share payment for Baht 68 million. Sappe Holding (Thailand) Co., Ltd. registered the increase of share capital with the Ministry of Commerce on 8 February 2019.

In July 2019, the Company made an additional paid-up share for Baht 25 million. Sappe Holding (Thailand) Co., Ltd. were fully paid-up on 22 July 2019.

Details of the increase of investment in subsidiaries from business acquisition during the year ended 31 December 2019 are disclosed in note 6.

In 2016, the Group sold its entire interest in PT. Sappe Indonesia, a subsidiary, of 2,550 shares or 51 percent equity ownership in PT. Sappe Indonesia. The Group has an option to repurchase 51 percent of PT. Sappe Indonesia issued and paid-up share capital. The option can be exercised within three years but no later than five years after the disposal date. The repurchase price will be Baht 82.03 million. In the case that PT. Sappe Indonesia increase its share capital, the repurchase price will be determined by financial due diligence performed by an independence financial advisor. However, the management does not plan to exercise this option at 31 December 2020.

12 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:

	31 December 2020			
	All Coco Group Co., Ltd.	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra-group elimination	Total
Non-controlling interest percentage	49	40		
Current assets	111,776	12,108		
Non-current assets	170,995	1,501		
Current liabilities	(49,263)	(22,843)		
Non-current liabilities	(15,506)	(4,022)		
Net assets	218,002	(13,256)		
Carrying amount of non-controlling interest	106,821	(5,302)	-	101,519
Revenue	316,972	22,219		
Profit (loss)	12,900	(1,329)		
Other comprehensive income	-	(1,059)		
Total comprehensive income	12,900	(2,388)		
Profit (loss) allocated to non-controlling interest	6,321	(532)	-	5,789
Other comprehensive income allocated to non-controlling interest	-	(423)	-	(423)

	31 December 2019			
	All Coco Group Co., Ltd.	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra- group elimination	Total
Non-controlling interest percentage	49	40		
Current assets	89,280	9,700		
Non-current assets	183,543	2,245		
Current liabilities	(47,100)	(19,037)		
Non-current liabilities	(19,760)	(3,777)		
Net assets	205,963	(10,869)		
Carrying amount of non-controlling interest	100,922	(4,347)	-	96,575
Revenue	248,316	28,775		
Profit (loss)	(803)	144		
Other comprehensive income	-	1,103		
Total comprehensive income	(803)	1,247		
Profit (loss) allocated to non-controlling interest	(393)	57	-	(336)
Other comprehensive income allocated to non-controlling interest	-	441	-	441

[illegible]

	Consolidated financial statements (in thousand Baht)					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction and installation
						Total
Depreciation and impairment losses						
At 1 January 2019	18,766	142,721	527,872	65,593	37,340	793,726
Depreciation for the year	4,361	29,582	130,876	11,674	7,239	183,732
Transfer	544	5,419	(4,986)	(183)	(794)	-
Disposals	-	-	(670)	(23)	(3,070)	(3,763)
Effect of movements in exchange rates	-	-	(653)	(3)	(87)	(743)
At 31 December 2019 and 1 January 2020	23,671	177,722	652,439	77,058	40,628	972,952
Recognition of depreciation of right-of-use asset on initial application of TFRS 16	-	-	(15,482)	-	(1,147)	(16,629)
At 1 January 2020 – as adjusted	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	27,315	207,120	764,245	85,381	40,294	1,125,789
Net book value						
At 31 December 2019						
Owned assets	115,932	286,444	617,386	29,044	17,123	1,130,189
Assets under finance leases	-	-	3,179	-	472	3,651
At 31 December 2020	115,932	286,444	620,565	29,044	17,595	1,133,840
Owned assets	119,456	265,070	513,504	28,514	13,830	1,006,221

Separate 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 2019	131,388	387,792	1,081,781	95,965	54,099	87,324	1,838,349
Additions	-	122	12,309	1,747	1,910	66,379	82,467
Transfer	-	1,304	85,556	2,130	2,596	(91,586)	-
Disposals	-	-	(194)	-	(3,069)	-	(3,263)
At 31 December 2019 and 1 January 2020	131,388	389,218	1,179,452	99,842	55,536	62,117	1,917,553
Additions	363	145	13,670	2,003	3,593	50,284	70,058
Transfer	6,806	7,619	22,144	9,013	-	(45,582)	-
Disposals	-	-	(747)	(1,726)	(5,568)	-	(8,041)
At 31 December 2020	138,557	396,982	1,214,519	109,132	53,561	66,819	1,979,570
Depreciation and impairment losses							
At 1 January 2019	18,766	142,721	520,880	65,562	36,523	1,434	785,886
Depreciation for the year	4,246	24,545	117,062	10,103	5,967	-	161,923
Disposals	-	-	(193)	-	(3,069)	-	(3,262)
At 31 December 2019 and 1 January 2020	23,012	167,266	637,749	75,665	39,421	1,434	944,547
Depreciation for the year	3,474	24,006	118,782	9,268	6,285	-	161,815
Disposals	-	-	(746)	(1,718)	(5,568)	-	(8,032)
At 31 December 2020	26,486	191,272	755,785	83,215	40,138	1,434	1,098,330
Net book value							
At 31 December 2019	108,376	221,952	541,703	24,177	16,115	60,683	973,006
At 31 December 2020	112,071	205,710	458,734	25,917	13,423	65,385	881,240

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 2020 amounted to Baht 297.40 million and Baht 282.96 million, respectively (2019: Baht 223.89 million and Baht 218.23 million).

14 Leases

As a lessee

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

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 110.15 million and Baht 75.17 million, respectively.

Extension options

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>For the year ended 31 December</i>				
	(in thousand Baht)			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Buildings	13,452	-	12,046	-
- Machinery	2,710	-	-	-
- Vehicles	428	-	-	-
Interest on lease liabilities	2,813	-	2,098	-
Expenses relating to short-term leases	10,666	-	6,304	-
Lease expense	-	21,962	-	14,834

In 2020, total cash outflow for leases of the Group and the Company were Baht 21.39 million and Baht 13.21 million, respectively.

15 Goodwill

	<i>Note</i>	Consolidated financial statements	
		2020	2019
		<i>(in million Baht)</i>	
<i>Cost</i>			
At 1 January		90,899	-
Acquired through business combinations	6	-	90,899
At 31 December		90,899	90,899
<i>Net book value</i>			
At 31 December		90,899	90,899

Impairment testing for CGU containing goodwill

The recoverable amount of this CGU was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations of All Coco Group Co., Ltd., which the carrying amount of the CGU was determined to be lower than its recoverable amount therefore no impairment losses to be recognised as of 31 December 2020 and 2019.

<i>Key assumptions used in the estimation of value in use</i>	Consolidated financial statements	
	2020	2019
	<i>(in million Baht)</i>	
Discount rate	4.4	5.2
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.

16 Intangible assets other than goodwill

Consolidated financial statements					
	Note	Software licences	Trademarks and Copyrights (in thousand Baht)	Product design	Total
Cost					
At 1 January 2019		30,478	51,608	1,560	83,646
Acquisition through business combination	6	4,269	1,147	-	5,416
Additions		3,985	1,567	336	5,888
Effect of movements in exchange rates		(85)	-	-	(85)
At 31 December 2019 and 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		39,101	54,494	1,896	95,491
Amortisation					
At 1 January 2019		22,067	9,082	195	31,344
Amortisation for the year		3,121	4,323	100	7,544
Effect of movements in exchange rates		(85)	-	-	(85)
At 31 December 2019 and 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		26,531	18,613	395	45,539
Net book value					
At 31 December 2019		13,544	40,917	1,601	56,062
At 31 December 2020		12,570	35,881	1,501	49,952

Separate financial statements					
		Software licences	Trademarks and Copyrights (in thousand Baht)	Product design	Total
Cost					
At 1 January 2019		29,549	51,608	1,560	82,717
Additions		60	1,568	-	1,628
At 31 December 2019 and 1 January 2020		29,609	53,176	1,560	84,345
Additions		153	243	-	396
Disposals		-	(71)	-	(71)
At 31 December 2020		29,762	53,348	1,560	84,670
Amortisation					
At 1 January 2019		21,138	9,082	195	30,415
Amortisation for the year		3,015	4,297	100	7,412
At 31 December 2019 and 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		25,377	18,559	395	44,331

	Separate financial statements			
	Software licences	Trademarks and Copyrights (in thousand Baht)	Product design	Total
<i>Net book value</i>				
At 31 December 2019	<u>5,456</u>	<u>39,797</u>	<u>1,265</u>	<u>46,518</u>
At 31 December 2020	<u>4,385</u>	<u>34,789</u>	<u>1,165</u>	<u>40,339</u>

17 Other current payables

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019 (in thousand Baht)	2020	2019
Other payables - related parties	7	638	804	88	598
Accrued interest expense - related parties	7	96	698	-	-
Accrued promotional expense		139,911	144,738	131,308	144,738
Accrued expenses		106,585	111,732	105,960	102,301
Other payables - other parties		78,773	79,781	69,567	73,950
Advance received		28,243	17,802	26,641	15,150
Others		5,755	10,793	1,645	8,422
Total		<u>360,001</u>	<u>366,348</u>	<u>335,209</u>	<u>345,159</u>

18 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019 (in thousand Baht)	2020	2019
Statement of financial position				
Non-current provisions for:				
Post-employment benefits	25,164	18,326	24,572	17,978
Other long-term employee benefits	2,449	1,977	2,449	1,977
Total	<u>27,613</u>	<u>20,303</u>	<u>27,021</u>	<u>19,955</u>

Year ended 31 December

Statement of comprehensive income:

Recognised in profit or loss:

Post-employment benefits	6,838	8,084	6,594	7,924
Other long-term employee benefits	912	817	912	817
Total	<u>7,750</u>	<u>8,901</u>	<u>7,506</u>	<u>8,741</u>

Recognised in other comprehensive income:

Actuarial gain recognised in the year	-	(656)	-	(656)
Cumulative actuarial loss recognised	2,902	3,558	2,902	3,558
Total	<u>2,902</u>	<u>2,902</u>	<u>2,902</u>	<u>2,902</u>

Defined benefit plan

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

<i>Present value of the defined benefit obligations</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019 (in thousand Baht)	2020	2019
At 1 January		20,303	12,435	19,955	12,435
Included in profit or loss:	23				
Current service cost		7,242	5,862	7,008	5,717
Past service cost		-	2,675	-	2,665
Interest on obligation		508	364	498	359
		<u>7,750</u>	<u>8,901</u>	<u>7,506</u>	<u>8,741</u>
Included in other comprehensive income					
Actuarial gain					
- Demographic assumptions		-	9	-	9
- Financial assumptions		-	1,551	-	1,551
- Experience adjustment		-	(2,216)	-	(2,216)
		-	<u>(656)</u>	-	<u>(656)</u>
Other					
Benefit paid		(440)	(565)	(440)	(565)
Acquisition through business combination		-	188	-	-
		<u>(440)</u>	<u>(377)</u>	<u>(440)</u>	<u>(565)</u>
At 31 December		<u>27,613</u>	<u>20,303</u>	<u>27,021</u>	<u>19,955</u>

Other long-term employee benefit

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

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019 (%)	2020	2019
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 2020, the weighted-average duration of the defined benefit obligation was 23.85 - 30.28 years (2019: 23.85 - 30.28 years).

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	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(3,294)	(2,542)	3,886	3,018
Future salary growth	3,938	2,832	(3,379)	(2,434)
Employee turnover	(3,640)	(2,819)	1,715	1,424
Future mortality	183	139	(181)	(138)

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(3,230)	(2,502)	3,810	2,971
Future salary growth	3,853	2,784	(3,306)	(2,392)
Employee turnover	(3,567)	(2,774)	1,687	1,405
Future mortality	179	137	(178)	(136)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

19 Share capital

	Par value per share (in Baht)	2020		2019	
		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	304,368	304,368
Shares options exercised (Note 20)	1	-	-	10	10
At 31 December					
- ordinary shares	1	<u>304,378</u>	<u>304,378</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.

20 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.

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 2020 were Baht 6.87 million (2019: Baht 11.93 million).

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

	Consolidated / Separate financial statements			
	2020		2019	
	Average exercise price per share (Baht)	Option shares (in thousand shares)	Average exercise price per share (Baht)	Option shares (in thousand shares)
At 1 January	7.72	4,060	7.72	4,070
Exercise	-	-	6.90	(10)
At 31 December	7.72	4,060	7.72	4,060

21 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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.

Other components of equity

Currency translation differences

The currency translation differences account within equity relates to foreign currency differences arising from the translation of the financial statements of foreign operations to Thai Baht.

Defined benefit plan actuarial gains (losses)

The defined benefit plan actuarial gains (losses) account within equity comprises experience adjustments which are the effects of differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions.

Differences arising from common control transactions

The differences arising from common control transactions within equity represents the excess of the book values of certain entities or businesses under common control over their cost as of the date of their acquisition. The reserve is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

22 Segment information and disaggregation of revenue

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.

Year ended 31 December	Consolidated financial statements											
	Health drinking products		Coconut products		Other segments		Total		Eliminate		Net	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(in thousand Baht)												
Information about reportable segments												
External revenues	2,991,547	3,045,514	255,465	226,754	21,072	27,210	3,268,084	3,299,478	-	-	3,268,084	3,299,478
Inter-segment revenue	331	5,962	59,399	17,621	-	-	59,730	23,583	(59,730)	(23,583)	-	-
Total revenue	2,991,878	3,051,476	314,864	244,375	21,072	27,210	3,327,814	3,323,061	(59,730)	(23,583)	3,268,084	3,299,478
Disaggregation of revenue												
Primary geographical markets												
Thailand	1,283,233	1,155,450	290,126	238,201	-	-	1,573,359	1,393,651	(59,461)	(17,621)	1,513,898	1,376,030
Indonesia and Philippines	667,788	776,118	-	-	-	-	667,788	776,118	-	-	667,788	776,118
Korea	247,274	318,769	-	1,530	-	-	247,274	320,299	-	-	247,274	320,299
Others	793,583	801,139	24,738	4,644	21,072	27,210	839,393	832,993	(269)	(5,962)	839,124	827,031
Total revenue	2,991,878	3,051,476	314,864	244,375	21,072	27,210	3,327,814	3,323,061	(59,730)	(23,583)	3,268,084	3,299,478
Major products												
Drinks	2,482,362	2,615,380	246,438	207,942	21,072	27,210	2,749,872	2,850,532	(16,257)	(23,583)	2,733,615	2,826,949
Others	509,516	436,096	68,426	36,433	-	-	577,942	472,529	(43,473)	-	534,469	472,529
Total revenue	2,991,878	3,051,476	314,864	244,375	21,072	27,210	3,327,814	3,323,061	(59,730)	(23,583)	3,268,084	3,299,478
Timing of revenue recognition												
At a point in time	2,991,878	3,051,476	314,864	244,375	21,072	27,210	3,327,814	3,323,061	(59,730)	(23,583)	3,268,084	3,299,478

<i>Year ended 31 December</i>	Consolidated financial statements									
	Health drinking products		Coconut products		Other segments		Total		Eliminate	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>									
Share of loss of investments in associates	(15,555)	(18,346)	-	-	-	-	(15,555)	(18,346)	-	-
Segment profit (loss) before income tax	465,553	500,295	14,376	(565)	1,375	3,515	481,304	503,245	613	(507)
Interest income	5,226	2,591	51	-	-	-	5,277	2,591	(549)	(575)
Depreciation and amortisation	180,365	169,335	20,862	21,027	938	914	202,165	191,276	-	-
Tax expense	94,473	99,747	1,476	238	17	26	95,966	100,011	-	-
Segment assets	3,546,783	3,279,251	272,071	272,823	143,881	146,718	3,962,735	3,698,792	(315,575)	(308,825)
Segment liabilities	715,406	581,494	62,629	66,860	43,098	36,565	821,133	684,919	(47,081)	(38,722)
									3,647,160	774,052
									3,389,967	646,197
									(15,555)	(18,346)
									481,917	502,738
									4,728	2,016
									202,165	191,276
									95,966	100,011
									3,647,160	3,389,967
									774,052	646,197

<i>Year ended 31 December</i>	Separate financial statements	
	Reportable segments	
	2020	2019
	<i>(in thousand Baht)</i>	
Disaggregation of revenue		
Primary geographical markets		
Thailand	1,283,233	1,155,450
Indonesia and Philippines	667,788	776,118
Korea	247,274	318,769
Others	793,583	801,139
Total revenue	2,991,878	3,051,476
Major products		
Drinks	2,482,362	2,615,380
Others	509,516	436,096
Total revenue	2,991,878	3,051,476
Timing of revenue recognition		
At a point in time	2,991,878	3,051,476

(a) Geographical segments

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

Geographical information	Consolidated financial statements			
	Revenues		Non-current assets	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Thailand	1,513,898	1,376,030	1,284,323	1,443,812
Indonesia and Philippines	667,788	776,118	-	-
Korea	247,274	320,299	-	-
Others	839,124	827,031	1,520	2,278
Total	3,268,084	3,299,478	1,285,843	1,446,090

(b) Major customer

Revenues from 2 major customers of the Group's represent approximately Baht 668 million (2019: 2 customers approximately Baht 776 million) of the Group's total revenues.

23 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Management					
Wages and salaries		42,010	40,103	42,010	40,103
Contribution to provident fund		838	800	838	800
Defined benefit plans and other					
long-term employee benefit	18	1,380	1,380	1,380	1,380
Share-based payment	20	1,760	3,056	1,760	3,056
Others		12,735	16,885	12,735	16,885
Total		58,723	62,224	58,723	62,224
Other employee					
Wages and salaries		252,524	241,315	203,700	198,676
Contribution to provident fund		4,967	4,182	4,730	3,955
Defined benefit plans and other					
long-term employee benefit	18	6,370	7,521	6,126	7,361
Share-based payment	20	5,111	8,875	5,111	8,875
Others		101,553	106,616	93,035	96,494
Total		370,525	368,509	312,702	315,361

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by 3% of their basic salaries and by the Company at rate 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

24 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		(4,527)	20,669	(1,369)	28,215
Raw materials and consumables used		1,430,010	1,428,412	1,283,405	1,287,848
Employee benefit expenses	23	429,248	430,733	371,425	377,585
Sale promotion expenses		250,783	271,142	246,530	265,762
Depreciation and amortisation expenses	13, 14, 16	202,165	191,273	180,365	169,335
Wages		134,717	129,457	134,717	129,457
Transportation expenses		110,359	113,388	105,682	107,866
Utilities expenses		81,667	86,179	67,270	70,865
Others		182,653	193,403	163,154	173,758
Total cost of sales of goods, distribution costs and administrative expenses		2,817,075	2,864,656	2,551,179	2,610,691

25 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	96,934	102,239	95,933	102,370
Adjustment for prior year	-	(363)	-	(363)
	<u>96,934</u>	<u>101,876</u>	<u>95,933</u>	<u>102,007</u>
Deferred tax expense				
Movement in temporary differences	(968)	(1,865)	(1,460)	(2,260)
Total income tax expense	<u>95,966</u>	<u>100,011</u>	<u>94,473</u>	<u>99,747</u>

Consolidated financial statements						
<i>Income tax</i>	Before tax	2020		2019		Net of tax
		Tax benefit	Net of tax	Before tax	Tax benefit	
						<i>(in thousand Baht)</i>
Recognised in other comprehensive income						
Defined benefit plan actuarial losses	-	-	-	(656)	131	(525)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(656)</u>	<u>131</u>	<u>(525)</u>

Separate financial statements						
<i>Income tax</i>	Before tax	2020		2019		Net of tax
		Tax benefit	Net of tax	Before tax	Tax benefit	
						<i>(in thousand Baht)</i>
Recognised in other comprehensive income						
Defined benefit plan actuarial losses	-	-	-	(656)	131	(525)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(656)</u>	<u>131</u>	<u>(525)</u>

Reconciliation of effectively tax rate

	Consolidated financial statements			
	2020		2019	
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>
Profit before income tax		481,917		502,738
Income tax using the Thai corporation tax rate	20	96,383	20	100,548
Effect of different tax rates in foreign jurisdictions		(1,354)		2,653
Income not subject to tax		3,111		1,652
Additional expenses deductible		(5,614)		(4,677)
Expenses not deductible for tax purposes		3,440		4,178
Recognition of previously unrecognised deferred tax		-		(3,980)
Over provided in prior years		-		(363)
Total	20	95,966	20	100,011

Reconciliation of effectively tax rate

	Separate financial statements			
	2020		2019	
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>
Profit before income tax		481,108		518,641
Income tax using the Thai corporation tax rate	20	96,222	20	103,728
Additional expenses deductible		(4,515)		(3,263)
Expenses not deductible for tax purposes		2,766		3,625
Recognition of previously unrecognised deferred tax		-		(3,980)
Over provided in prior years		-		(363)
Total	20	94,473	19	99,747

Deferred tax At 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
Deferred tax assets	18,809	15,884	18,288	15,435
Deferred tax liabilities	(3,410)	(3,498)	(77)	(514)
Net	15,399	12,386	18,211	14,921

Consolidated financial statements					
<i>Deferred tax</i>	At 1 January	Impact on changes in accounting policies	At 1 January (Restated) (in thousand Baht)	(Charged) / Credit to Profit or loss	At 31 December
2020					
<i>Deferred tax assets</i>					
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
<i>Deferred tax liabilities</i>					
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

Consolidated financial statements					
(Charged) / Credited to					
<i>Deferred tax</i>	At 1 January	Profit or loss	Other comprehensive income (in thousand Baht)	Acquired in business combination	At 31 December
2019					
Deferred tax assets					
Trade accounts receivable	-	271	-	-	271
Other current receivables	2,681	55	-	-	2,736
Short-term loans to related parties	1,738	(160)	-	-	1,578
Inventories	590	675	-	-	1,265
Property, plant and equipment	5,379	(933)	-	-	4,446
Provisions for employee benefit	2,487	1,704	(131)	-	4,060
Other current payables	1,893	(365)	-	-	1,528
Total	14,768	1,247	(131)	-	15,884
Deferred tax liabilities					
Debt instruments	(1,732)	1,732	-	-	-
Property, plant and equipment	-	232	-	(2,140)	(1,908)
Finance lease liabilities	-	(1,076)	-	-	(1,076)
Derivatives	(244)	(270)	-	-	(514)
Total	(1,976)	618	-	(2,140)	(3,498)
Net	12,792	1,865	(131)	(2,140)	12,386

Separate financial statements					
Impact on changes in accounting policies					
<i>Deferred tax</i>	At 1 January	Impact on changes in accounting policies	At 1 January (Restated) (in thousand Baht)	(Charged) / Credit to Profit or loss	At 31 December
2020					
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	-	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

		Separate financial statements		
		(Charged) / credited to		
		Profit	Other	
<i>Deferred tax</i>	At 1 January	or loss	comprehensive income	At 31 December
		<i>(in million Baht)</i>		
2019				
Deferred tax assets				
Trade accounts receivable	-	46	-	46
Other current receivables	2,681	55	-	2,736
Short-term loans to related parties	1,738	(160)	-	1,578
Inventories	590	528	-	1,118
Property, plant and equipment	5,379	(933)	-	4,446
Provisions for employee benefit	2,487	1,635	(131)	3,991
Other current payables	1,893	(373)	-	1,520
Total	14,768	798	(131)	15,435
Deferred tax liabilities				
Debt instruments	(1,732)	1,732	-	-
Derivatives	(244)	(270)	-	(514)
Total	(1,976)	1,462	-	(514)
Net	12,792	2,260	(131)	14,921

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 2020, 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 (2019: Baht 2.9 million, Baht 3.0 million and Baht 2.0 million) because the Company have cumulative tax losses.

26 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(In thousand Baht/thousand shares)</i>			
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>				
Profit for the year attributable to ordinary shareholders of the Company (basic)	<u>380,161</u>	<u>403,063</u>	<u>386,636</u>	<u>418,895</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>380,161</u>	<u>403,063</u>	<u>386,636</u>	<u>418,895</u>
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	304,378	304,368	304,378	304,368
Effect of issuing shares options exercised	-	5	-	5
Weighted average number of ordinary shares outstanding (basic) at 31 December	<u>304,378</u>	<u>304,373</u>	<u>304,378</u>	<u>304,373</u>
Weighted average number of ordinary shares outstanding (diluted) at 31 December	<u>304,378</u>	<u>304,373</u>	<u>304,378</u>	<u>304,373</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>1.25</u>	<u>1.32</u>	<u>1.27</u>	<u>1.38</u>
Earnings per share (dilute) <i>(in Baht)</i>	<u>1.25</u>	<u>1.32</u>	<u>1.27</u>	<u>1.38</u>

At 31 December 2020 and 2019, the effect was excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

27 Dividend

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

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

28 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.

		Consolidated financial statements					Fair value	
		Carrying amount		(in thousand Baht)				
		Financial instruments measured at amortised cost	Financial instruments measured at FVTPL	Total	Level 1	Level 2	Level 3	Total
	Note							
At 31 December 2020								
Financial assets								
Other financial assets								
Debt instruments		-	1,415,102	1,415,102	-	1,415,102	-	1,415,102
Derivatives assets		-	3,536	3,536	-	3,536	-	3,536
Total other financial assets		-	1,418,638	1,418,638				
Financial liabilities								
Borrowings from financial institutions		(31)		(31)	-	(31)	-	(31)
Loans from related parties	7	(9,352)		(9,352)	-	(9,352)	-	(9,352)

			Separate financial statements			
		Carrying amount	Fair value			
		Financial instruments measured at amortised cost	Level 1	Level 2	Level 3	Total
			(in thousand Baht)			
	Note	Financial instruments measured at FVTPL	Total	Level 1	Level 2	Level 3
At 31 December 2020						
Financial assets						
Loans to related parties	7	-	5,160	-	5,610	-
Other financial assets						
Debt instruments		1,415,102	1,415,102	-	1,415,102	-
Derivatives assets		3,536	3,536	-	3,536	-
Total other financial assets		1,418,638	1,418,638			

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

Financial instruments measured at fair value

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

(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.

(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 22(a) - (b).

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery 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 three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets.

	Consolidated financial statements		Separate financial statements	
	Trade accounts receivables (carrying amounts)	Allowance for expected credit loss	Trade accounts receivables (carrying amounts)	Allowance for expected credit loss
At 31 December 2020				
		<i>(in thousand Baht)</i>		
Within credit terms	259,648	6	257,632	-
Overdue:				
Less than 3 months	172,262	115	160,478	-
3 - 6 months	3,444	52	496	-
6 - 12 months	188	48	131	-
More than 12 months	1,285	1,018	180	-
Total	436,827	1,239	418,917	-
Less allowance for expected credit loss	(1,239)		-	
Net	435,588		418,917	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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

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

<i>Movement of allowance for expected credit loss of trade accounts receivables</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
	<i>Note</i>	
At 1 January 2020 – restated	3	1,560
Reversal		(321)
At 31 December 2020		1,239

(b.1.2) 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 with a minimum credit rating of AA assigned by, for 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.

Consolidated financial statements

Contractual cash flows

<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years <i>(in thousand Baht)</i>	More than 2 years but less than 5 years	More than 5 years	Total
<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	25,330	11,803	17,530	36,565	91,228
	<u>320,012</u>	<u>254,114</u>	<u>11,803</u>	<u>17,530</u>	<u>36,565</u>	<u>320,012</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>-</u>	<u>3,536</u>

Separate financial statements

Contractual cash flows

<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years <i>(in thousand Baht)</i>	More than 2 years but less than 5 years	More than 5 years	Total
<i>Non-derivative financial liabilities</i>						
Trade payables	228,783	228,783	-	-	-	228,783
Lease liabilities	68,568	11,571	10,527	16,502	29,968	68,568
	<u>297,351</u>	<u>240,354</u>	<u>10,527</u>	<u>16,502</u>	<u>29,968</u>	<u>297,351</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>-</u>	<u>3,536</u>

Consolidated financial statements					
At 31 December 2019	Note	Effective interest rate (% per annum)	Maturity period		Total
			Within 1 year	After 1 year but within 5 years (in thousand Baht)	
Financial Liabilities					
Loans payable - Related parties	7	Market rate	10,975	-	10,975

Separate financial statements					
At 31 December 2019	Note	Effective interest rate (% per annum)	Maturity period		Total
			Within 1 year	After 1 year but within 5 years (in thousand Baht)	
Financial Assets					
Loans receivable - Related parties	7	3.2	7,650	-	7,650

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 normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(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.

Consolidated financial statements

<i>Exposure to foreign currency at 31 December</i>	2020						2019					
	USD	EUR	HKD	CNY	Total (in thousand Baht)	USD	EUR	HKD	CNY	Total	EUR	Total
Cash and cash equivalents	77	11	10,884	614	11,586	22	1,378	11,083	579	13,062		
Trade accounts receivables	54,041	12,407	-	-	66,448	44,846	14,185	-	-	59,031		
Other current receivables	84	1,678	-	2,064	3,826	-	68	-	2,163	2,231		
Interest-bearing liabilities	-	(5,531)	-	-	(5,531)	-	(3,625)	-	-	(3,625)		
Trade payables	(3,502)	(554)	-	(229)	(4,285)	-	(653)	-	-	(653)		
Other current payables	(52,260)	(10,961)	(43)	(282)	(63,546)	(4,179)	(8,911)	(85)	(177)	(13,352)		
Net statement of financial position exposure	(1,560)	(2,950)	10,841	2,167	8,498	40,689	2,442	10,998	2,565	56,694		
Forward exchange selling contracts	(54,125)	-	-	-	(54,125)	(44,846)	-	-	-	(44,846)		
Net exposure	(55,685)	(2,950)	10,841	2,167	(45,627)	(4,157)	2,442	10,998	2,565	11,848		

Separate financial statements

<i>Exposure to foreign currency at 31 December</i>	2020						2019					
	USD	EUR	HKD	CNY	Total (in thousand Baht)	USD	EUR	HKD	CNY	Total	EUR	Total
Cash and cash equivalents	61	2		-	63	2	1			3		
Trade accounts receivables	48,434	5,647		-	54,081	44,846	9,776			54,622		
Other current receivables	84	-		-	84	-	-			-		
Trade accounts payables	(3,502)	-		(229)	(3,731)	-	-			-		
Other current payables	(51,925)	(5,711)		-	(57,636)	(3,944)	(6,043)			(9,987)		
Net statement of financial position exposure	(6,848)	(62)		(229)	(7,139)	40,904	3,734			44,638		
Forward exchange selling contracts	(48,518)	-		-	(48,518)	(44,846)	-			(44,846)		
Net exposure	(55,366)	(62)		(229)	(55,657)	(3,942)	3,734			(208)		

(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 loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk

Exposure to interest rate risk at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Financial instruments with fixed interest rates				
Financial assets	-	-	5,610	7,650
Financial liabilities	10,845	11,108	-	-
	<u>10,845</u>	<u>11,108</u>	<u>5,610</u>	<u>7,650</u>

29 Commitments with non-related parties

	Consolidated financial statements		Separate Financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Capital commitments				
Machinery, equipment and other constructions	23,144	12,719	20,804	8,039
Software	-	163	-	-
Total	<u>23,144</u>	<u>12,882</u>	<u>20,804</u>	<u>8,039</u>
Other commitments				
Short-term lease commitments	10,815	-	9,436	-
Bank guarantees	10,616	10,616	10,616	10,616
Total	<u>21,431</u>	<u>10,616</u>	<u>20,052</u>	<u>10,616</u>

30 Contingent liabilities

As at 31 December 2020, the Company has been sued by a former oversea distributor in the amount of CNY 3.15 million (Baht 14.57 million). The Company have won in the federal court. Presently, the case is under the appeal of the distributor. However, the Company has set aside provision of Baht 0.86 million (2019: Baht 0.86 million) for liability that may arise as a result of this case, based on the opinion of their management and legal department.

31 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.

32 Event after the reporting period

- 1) In January 2021, Sappe Holding (Thailand) Co., Ltd., which is the subsidiary increase its registered share capital from Baht 290 million to Baht 320 million (32,000,000 shares, at the price of Baht 10 per share) by issue 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 share payment for Baht 30 million. Sappe Holding (Thailand) Co., Ltd. registered the increase of share capital with the Ministry of Commerce on 8 January 2021.
- 2) In February 2021, Danone Sappe Beverages Co., Ltd. increase its registered share capital from Baht 200 million to Baht 300 million by issuing share capital to Baht 100 million (1,000,000 shares at Baht 100 per share). Sappe Holding (Thailand) Co., Ltd., a subsidiary has paid-up share capital amounting to Baht 25 million. The percentage of holding interest of the Group remains unchanged. Danone Sappe Beverages Co., Ltd. is in the registration process with the Ministry of Commerce.
- 3) In February 2021, the plaintiff has officially withdrawn its appeal at second instance. Since the Company has been sued by a former oversea distributor in the amount of CNY 3.15 million (Baht 14.57 million), resulted in the settlement of the lawsuit and the Company had no liability from the lawsuit.

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