



GROW TOGETHER

Innovate to grow

...

Sustainable to win

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

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

TABLE OF CONTENTS

1	Vision and Mission
3	Message from Chairman of the Board and Chief Executive Officer
5	Awards of Pride
7	Business Overview
7	Performance in 2024
7	– Outstanding Economic Performance
8	– Outstanding Social Performance
11	– Outstanding Environmental Performance
11	Key Sustainability Collaborations
13	Board of Directors
14	Financial Highlights

Part 1: Business Operation and Performance Results

22	1. Structure and Business Operation
52	2. Risk Management
61	3. Driving Business Towards Sustainability
104	4. Management Discussion and Analysis: MD&A
112	5. General information and other material facts

Part 2: Corporate Governance

115	6. Corporate Governance Policy
130	7. Corporate governance structure and significant information related to the Board of Directors, sub-committees, executives, employees and others
159	8. Report on key operating results related to corporate governance
172	9. Internal control and related party transactions

Part 3: Financial Statements

188	Financial Statements
-----	----------------------

Part 4: Attachments

246	Attachment 1	Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company's secretary
263	Attachment 2	Details of the directors of subsidiaries
264	Attachment 3	Details of the Heads of the Internal Audit
266	Attachment 4	Assets for Business Operations and Details About Asset Appraisal Items
275	Attachment 5	The Report of the Audit Committee
278	Attachment 6	The Report of the Board of Directors' Responsibilities for Financial Statements



MESSAGE FROM CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

The year 2024 has been a year of learning and collectively building business sustainability in many aspects. Despite ongoing volatility both domestically and internationally, our unwavering commitment to Do the Impossible and our ability to adapt quickly and persevere (Dynamic With Speed and Never Give Up)—aligned with our core values—have driven continuous growth in our performance this year. We achieved total sales of 6,775 million THB, an increase of 12%, and a net profit of 1,252 million THB, an increase of 16.6%. Our sales composition consisted of 20% domestic and 80% international, with our products reaching 100 countries worldwide. Our flagship brand, Mogu Mogu, continues to lead the fruit juice beverage market in many countries across the globe.

Our journey to establishing a global brand has been progressing intensively. In mid-year, we officially announced the world-renowned boy band SEVENTEEN as the first Global Brand Ambassador for Mogu Mogu, aiming to expand our consumer base and strengthen global brand engagement. This partnership received an overwhelmingly positive response from fans of both Mogu Mogu and SEVENTEEN worldwide. The campaign's expansion across various



countries has brought us one step closer to becoming a truly global brand.

In the domestic market, we have driven significant transformations this year. Beyond continuously introducing new products to improve consumers' quality of life – launching as many as 26 new products – we also carried out a major rebranding for our flagship brand, Sappe Beauti, for the first time in 18 years with the campaign “Suay Roa Mai Tong Suay Krai (Beauty through our eyes, not other people’s)”. The highlight of this campaign was our

new marketing communication approach, leveraging the global trend of Diversity & Equality to resonate with Generation Z, our core target audience. We made a strong commitment to advocating for self-love and redesigned our packaging to reflect diversity in gender, body types, and skin tones, ensuring greater Gen Z engagement. Another standout campaign that created a buzz in the market was the collaboration between B’lue Vitamin Water and What the Duck, a renowned music label. This partnership led to the launch of B’lue Limited Edition in two flavors: “Crazy in Love” by The Toys and “Broken Heart” by Bowkylion – where emotions were translated into delicious, well-balanced beverage flavors and conveyed through music. All our campaigns this year have made a positive impact on our target audience and society, bringing joy and excitement to our consumers while reinforcing our brand’s strong market presence.



In terms of employee well-being, this year we have not only conducted 93 training programs to enhance both hard skills and soft skills, but we have also expanded our well-being initiatives to cover all five dimensions of well-being: Physical, Mental, Social, Spiritual, and Intellectual. We introduced 42 activities, such as painting, flower arranging, tote bag painting, and cake decorating, while also supporting sports activities like running, triathlons, badminton, and yoga. Additionally, we enhanced our employee healthcare programs beyond basic health check-ups by introducing flu vaccinations, upper and lower abdominal ultrasound screenings for abnormalities, and cervical and breast cancer screenings. These initiatives are designed to improve our employees' overall quality of life—both physically and mentally—so they are well-prepared to face any challenges ahead, together with us.



We continue to prioritize community engagement around our factories through initiatives that align with local needs. Local employment remains a key focus, with 28.17% of our total workforce coming from the surrounding communities. We have also provided cold water dispensers to hospitals and communities, ensuring access to clean and refreshing drinking water for medical personnel and hospital visitors. Additionally, we are proud to continue the Wan Waan Wan project, now in its 8th year. This initiative not only reintegrates high-quality raw materials into our production process but also serves as a pilot program for expansion into other areas. It plays a crucial role in preventing future raw material shortages, ensuring the company's long-term sustainability while supporting local communities.

In response to the growing impact of climate change, Sappe is committed to playing an active role in sustainability and promoting a circular economy. We have developed eco-friendly packaging, optimized material usage, and implemented various measures to reduce our environmental footprint. All product labels have been switched from PVC to 100% PET, making recycling easier and more efficient. Tethered caps have been adopted in multiple countries, reducing waste by 210 million bottle caps per year. We use recycled plastic (rPET) for bottle production, decreasing the need for virgin plastic and promoting circular material use. By reducing bottle cap weight, we have cut plastic consumption by 63 tons (63,000 kg) per year. Clean energy is being harnessed through solar rooftops and floating solar panels on wastewater ponds behind our factories. Additionally, we collaborate with business partners like GC on the 'GC YOUTURN' project, which focuses on post-consumer plastic waste management to combat plastic pollution. These initiatives align with UN Sustainable Development Goal 17 (Partnerships for the Goals), emphasizing multi-sector collaboration to drive sustainable development on a global scale.



On behalf of the Chairman, Chief Executive Officer, and the management team of Sappe, we extend our sincere gratitude to all our employees for their dedication and outstanding contributions throughout the year. Your efforts have elevated a Thai brand to greater recognition both domestically and internationally. We also thank our customers, partners, shareholders, business allies, and all stakeholders for their continued trust and support. In 2025, we remain committed to delivering remarkable achievements that enhance people's lives worldwide, driven by our unwavering spirit of creativity and innovation.

Mr. Natee Onin
Chairman of the Board of Directors

Ms. Piyajit Ruckariyapong
Director and Chief Executive Officer

AWARDS OF PRIDE

This year, we have been honored with numerous awards, recognizing our achievements both domestically and internationally across various fields. These include awards for sustainability, management, exports, creativity, diversity and equality promotion, and product innovation, reflecting our commitment to excellence in every aspect of our business. The awards received are as follows:

CORPORATE AWARDS



1-4



7



8



9



10



5



6



11-12



13-14

- 1 SET Awards 2024: Best Company Performance
- 2 SET Awards 2024: Outstanding Company Performance Award
- 3 SET Awards 2024: Outstanding CEO Awards
- 4 SET Awards 2024: Best Investor Relations
- 5 ESG Rating A
- 6 UN Women Leadership Commitment – 3rd place
- 7 Best Under A Billion 2024: Forbes Asia
- 8 Best Managed Company by Deloitte – for the third consecutive year

- 9 Thailand Corporate Excellence Awards 2024
- 10 Prime Minister's Export Award 2024: Best Exporter
- 11 Creative Business Awards for Corporate 2024
- 12 Creative Leader Awards 2024
- 13 Thailand CEO ECONMASS Awards 2023 – Outstanding CEO in Agriculture & Food Industry
- 14 Thailand CEO ECONMASS Awards 2023 – CEO of the Year 2024

Sappe continues its mission to establish a Thai brand that is recognized and respected on the global stage. We are dedicated to creating high-quality, innovative products that not only meet the diverse needs of consumers but also align with evolving lifestyles. With a strong commitment to strengthening Thai brands and supporting local farmers, we prioritize sourcing raw materials from local agricultural produce while enhancing them with advanced technology and expertise.

In 2024, our innovative products have earned prestigious international awards, reflecting their quality, sustainability, and the trust that consumers place in our brand. These accolades reaffirm our dedication to delivering excellence and driving a Thai brand forward on a global scale.

BRAND AWARDS

SIAL INNOVATION: SIAL PARIS 2024



SIAL Innovation: SIAL Paris 2024 (France) – Awarded to Prew Coffee (Black Coffee and Black Coffee with Orange) and Maltive Jelly Bar.

SUPERIOR TASTE AWARD 2024



Superior Taste Award 2024 (France) – Awarded to Sappe Keaf.



BEST NEW BRAND: ZENITH INNOBEV AWARDS 2024

Innobev Awards – Best New Brand: Zenith Innobev Awards 2024 (United Kingdom) – Awarded to Mogu Mogu.

BEST MKT/SOCIAL MEDIA FINALIST: ZENITH INNOBEV AWARDS 2024

Innobev Awards – Best Marketing/Social Media Finalist: Zenith Innobev Awards 2024 (United Kingdom) – Awarded to Mogu Mogu.

SIAL SNACK AWARD: SIAL SHANGHAI 2024



SIAL Snack Award: SIAL Shanghai 2024 (China) – Awarded to Mogu Mogu.

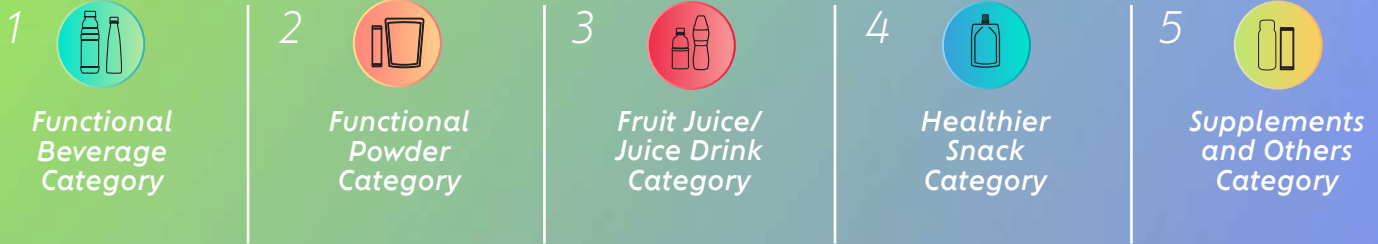
FINALIST OF THAIFEX-ANUGA TASTE INNOVATION AWARD 2024



Finalist of Thaifex-Anuga Taste Innovation Award 2024 (Thailand) – Awarded to Sappe Keaf.

BUSINESS OVERVIEW

Sappe Public Company Limited (SAPPE) is a leading innovator in the beverage industry and a pioneer of functional drinks in Thailand. Our diverse portfolio consists of 5 product categories:



PERFORMANCE IN 2024

OUTSTANDING ECONOMIC PERFORMANCE

TOP 3 BRANDS

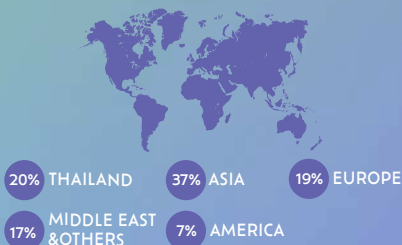


SALES BY REPORTING ENTITY

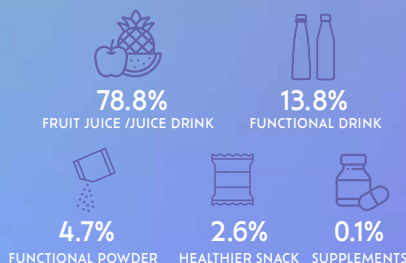


SALES BY REGION

>100 COUNTRIES TERRITORIES



SALES BY PRODUCT CATEGORY



Sappe has officially announced SEVENTEEN, the globally renowned South Korean boy band and one of the most valuable brands in the industry, as its First Global Brand Ambassador. All 13 members embody the fun and vibrant spirit of Mogu Mogu, the internationally beloved nata de coco fruit juice, through the ‘Sip Chew Feel Mogu Mogu’ campaign. This collaboration underscores Sappe’s strong global presence, with its beverages now available in 100 countries worldwide.

Sappe has launched a major rebranding of ‘Sappe Beauti’ for the first time in 18 years, placing Diversity & Equality—key global trends—at the heart of its communication. The brand actively promotes self-love, encourages everyone to embrace



themselves, and advocates for equality, aiming to create a positive social impact. Through the campaign “Suay Roa Mai Tong Suay Krai (Beauty through our eyes, not other people’s)”. Sappe Beauti sets a new trend in redefining beauty standards. The packaging has also been redesigned to resonate with Gen Z, featuring diverse representations of gender, body types, and skin tones. As Thailand’s leading beauty beverage brand, Sappe Beauti continues to understand its consumers and celebrate all forms of beauty.



OUTSTANDING SOCIAL PERFORMANCE

Sappe is an innovation-driven organization filled with young talents, whom we proudly call Sappe Players. We foster a work environment that serves as a Home of Innovators, cultivating an innovative spirit and systematically integrating innovation strategies into our organization and product development. Our goal is to empower employees to bring their creative ideas to life, encouraging them to think boldly, take risks, and embrace failure as part of the learning process—fall fast, rise faster. This is reinforced through structured



programs and workflows designed to support innovation at every level. To emphasize our commitment to innovation, we have a dedicated Innovation division, led by our Chief Brand Innovation & Growth Officer (CBIG). This role oversees all aspects of innovation within the organization, including products, culture, marketing, sales, corporate communications, and other areas where innovation can add value. This leadership structure underscores our deep commitment to fostering a truly innovation-driven organization.

SAPPE CORE VALUE



Experimental
Creativity



Integrity For
Sustainability



Do The
Impossible



Dynamic With
Speed and
Never Give Up



Fun
Teamwork

WELL-BEING

Sappe is committed to fostering employee well-being through a comprehensive approach that covers five key aspects: Physical, Mental, Social, Spiritual, and Intellectual well-being.

Physical



Mental



Social



Spiritual



Intellectual



OUTSTANDING ENVIRONMENTAL PERFORMANCE



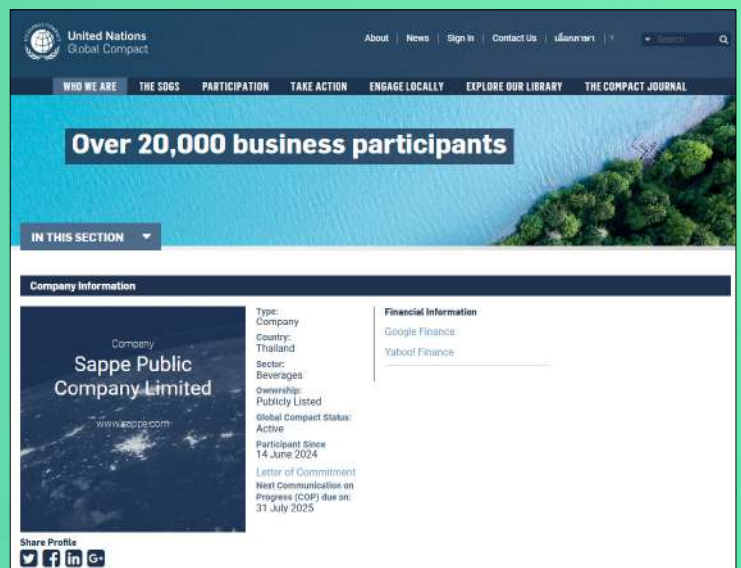
- 100% Transition to PET Labels – All product labels have been switched from PVC to PET to enhance sustainability.
- Implementation of Tethered Caps – Supports waste management and recycling efforts, aligning with the circular economy while reducing waste by 210 million caps per year.
- Use of Recycled PET (rPET) – Incorporating rPET in plastic bottle production helps minimize virgin plastic usage and promotes material circularity.
- Lightweight Bottle Caps – Optimized cap design has reduced plastic consumption by 63 tons (63,000 kg) annually.



Key Sustainability Collaborations

Sappe is a member of the United Nations Global Compact Network Thailand (UNGNT), the local sustainability network under the UN Global Compact (UNGC) framework. This membership reflects a commitment to advancing the 10 Principles and the Sustainable Development Goals (SDGs) while fostering responsible business practices and an ecosystem that drives positive change. The initiative focuses on four key areas: human rights, labor standards, environmental protection, and anti-corruption. By sharing best practices and performance insights from leading companies, the network aims to build trust in the business sector and create a positive impact on both Thai and global societies.

Sappe also participated in the GCNT Forum 2024, themed “Inclusive Business for Equitable Society”, co-hosted by UNGNT and the United Nations in Thailand. As part of the event, Sappe joined a panel discussion on “Bold Step, Lasting Change – Collective Actions to Accelerate Human Capital that Foster an Equitable Society”, highlighting the importance of human capital in driving organizational and social development. This reinforces Sappe’s commitment to diversity, equity, and inclusion across the entire value chain, supporting sustainable growth in all dimensions.





Sappe is a member of the Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE), a non-profit organization under the supervision of the Federation of Thai Industries. TIPMSE was established through the collaboration of industry groups, associations, and businesses involved in packaging production, with the goal of promoting sustainable packaging and recycling practices. As part of our commitment to sustainability, Sappe has joined the PackBack in Action Year 3 initiative, reinforcing our dedication to PROVE: The Drive for EPR in Thailand—a program focused on advancing Extended Producer Responsibility (EPR) in the country. This initiative aligns with our long-term sustainability goals and our vision for responsible business growth. To highlight our commitment, Mr. Adisak Ruckariyaphong, Chairman of the Executive Board and Chairman of the Sustainability Working Group, represented Sappe at the event, reaffirming our leadership in driving positive environmental impact.



Sappe has signed the CEO Statement of Support for the Women’s Empowerment Principles (WEPs), a joint initiative by UN Women and the UN Global Compact. Currently, over 6,500 businesses worldwide have become WEPs signatories, demonstrating their commitment to fostering a corporate culture and business practices that promote gender equality and women’s empowerment. Through this initiative, Sappe actively supports inclusivity in the workplace, encouraging diversity and equal opportunities for all. Additionally, the company participated in the annual “Ring the Bell for Gender Equality” event, a global movement driving businesses to champion gender equality. This event also celebrates the economic, political, and social achievements of women worldwide in honor of International Women’s Day 2024, held at the Stock Exchange of Thailand.

BOARD OF DIRECTORS



Mr. Natee Onin
Chairman



Mr. Adisak Ruckariyaphong
Vice Chairman and Chairman
of Executive Committee



Mr. Surath Pralongsil
Independent Director and
Chairman of the Audit Committee



Mrs. Niratchara Siriamphunkul
Independent Director and Member
of the Audit Committee



Mr. Chanin Archjananun
Independent Director and Member
of the Audit Committee



Mr. Thana Thienachariya
Independent Director



Mr. Anan Ruckariyapong
Director / Member of Executive
Committee and President



Ms. Piyajit Ruckariyapong
Director / Member of Executive
Committee and
Chief Executive Officer (CEO)



Mr. Arnupap Ruckariyapong
Director / Member of Executive
Committee and Chief Project and
Technology Officer (CPT)

Financial Highlights

Statement of financial position – Consolidated financial statements

Statement of financial position	31 Dec 2024		31 Dec 2023		31 Dec 2022		31 Dec 2021	
	million baht	%	million baht	%	million baht	%	million baht	%
Assets	5,920.84	100.00	5,680.24	100.00	4,561.33	100.00	3,848.40	100.00
Current assets	2,697.64	45.56	3,655.81	64.36	3,079.28	67.51	2,523.69	65.58
Cash and cash equivalent	763.16	12.89	554.20	9.76	298.81	6.55	382.61	9.94
Current investments	1,012.17	17.10	1,977.36	34.81	1,829.72	40.11	1,371.10	35.63
Trade accounts receivable	389.01	6.57	328.42	5.78	324.14	7.11	340.58	8.85
Other receivables	213.42	3.60	313.14	5.51	135.36	2.97	89.17	2.32
Short-term loans to related parties	-	-	-	-	-	-	-	-
Inventories	234.17	3.96	437.83	7.71	444.46	9.74	290.72	7.55
Other current assets	85.70	1.45	44.86	0.79	46.80	1.03	49.51	1.29
Non-current assets	3,223.20	54.44	2,024.43	35.64	1,482.04	32.49	1,324.71	34.42
Investment in associates	75.54	1.28	75.85	1.34	89.12	1.95	88.96	2.31
Investment in joint ventures	0.22	0.00	23.33	0.41	30.17	0.66	-	-
Other non-current financial assets	37.43	0.63	40.59	0.71	66.75	1.46	66.75	1.73
Other long-term investments	-	-	-	-	-	-	-	-
Property, plant and equipment	2,881.35	48.66	1,664.87	29.31	1,067.73	23.41	951.27	24.72
Right-of-use assets	41.41	0.70	52.82	0.93	64.21	1.41	54.97	1.43
Goodwill	90.90	1.54	90.90	1.60	90.90	1.99	90.90	2.36
Other intangible assets	52.12	0.88	32.82	0.58	37.04	0.81	43.35	1.13
Deferred tax assets	34.42	0.58	32.30	0.57	26.41	0.58	19.81	0.51
Other non-current assets	9.81	0.17	10.95	0.19	9.70	0.21	8.70	0.23
Liabilities and Equity	5,920.84	100.00	5,680.24	100.00	4,561.33	100.00	3,848.40	100.00
Liabilities	1,429.92	24.15	1,784.38	31.41	1,201.27	26.34	841.93	21.88
Current liabilities	1,292.09	21.82	1,647.48	29.00	1,071.14	23.48	745.47	19.37
Bank Overdraft	-	-	-	-	1.06	0.02	1.89	0.05
Trade accounts payable	199.75	3.37	270.82	4.77	229.97	5.04	180.82	4.70
Other payables	900.01	15.20	1,214.58	21.38	734.23	16.10	495.09	12.86
Current portion of long-term loans from financial institutions	-	-	-	-	-	-	-	-
Short-term loans from related parties	2.45	0.04	9.47	0.17	9.35	0.20	9.46	0.25
Current portion of finance lease liabilities	10.44	0.18	11.52	0.20	10.92	0.24	10.07	0.26
Current tax payable	107.29	1.81	129.98	2.29	85.61	1.88	48.14	1.25
Current provisions for employee benefits	72.16	1.22	11.11	0.20	-	-	-	-
Non-Current liabilities	137.82	2.33	136.90	2.41	130.14	2.85	96.46	2.51
Long-term loans from financial institution	-	-	-	-	-	-	-	-
Finance lease liability	38.77	0.65	49.20	0.87	60.54	1.33	51.88	1.35
Deferred tax liabilities	0.85	0.01	1.05	0.02	2.97	0.07	3.00	0.08
Non-current provisions for employee benefit	98.20	1.66	82.49	1.45	61.82	1.36	36.61	0.95
Other non-current liabilities	0.01	0.00	4.16	0.07	4.81	0.11	4.97	0.13
Equity	4,490.92	75.85	3,895.86	68.59	3,360.05	73.66	3,006.47	78.12
Issued and paid-up share capital	308.29	5.21	308.29	5.43	308.29	6.76	306.09	7.95
Share premium on ordinary shares	1,082.23	18.28	1,082.23	19.05	1,082.23	23.73	1,021.35	26.54
Share-based payment reserve	23.97	0.40	5.91	0.10	-	-	-	-
Treasury shares	(38.98)	(0.66)	(12.57)	(0.22)	-	-	-	-
Retained earnings – Treasury shares reserve	38.98	0.66	12.57	0.22	-	-	-	-
Warrant	-	-	-	-	-	-	19.03	0.49
Retained earnings – Legal reserve	30.84	0.52	30.84	0.54	30.84	0.68	30.84	0.80
Retained earnings – Unappropriate	2,943.91	49.72	2,392.26	42.12	1,839.30	40.32	1,533.65	39.85
Difference arising from common control transactions	-	-	(4.37)	(0.08)	(4.37)	(0.10)	(4.37)	(0.11)
Currency translation differences	3.08	0.05	2.34	0.04	1.52	0.03	(0.91)	(0.02)
Equity attributable to Non-controlling interests	98.60	1.67	78.36	1.38	102.24	2.24	100.79	2.62

Statement of financial position – Separate financial statements

Statement of financial position	31 Dec 2024		31 Dec 2023		31 Dec 2022		31 Dec 2021	
	million baht	%	million baht	%	million baht	%	million baht	%
Assets	5,893.43	100.00	5,693.92	100.00	4,491.17	100.00	3,783.68	100.00
Current assets	2,517.96	42.72	3,566.44	62.64	2,941.95	65.51	2,403.86	63.53
Cash and cash equivalent	618.14	10.49	488.36	8.58	249.99	5.57	324.55	8.58
Current investments	1,012.17	17.17	1,977.36	34.73	1,829.72	40.74	1,371.11	36.24
Trade accounts receivable	378.30	6.42	311.04	5.46	281.16	6.26	318.78	8.43
Other receivables	212.49	3.61	322.40	5.66	145.06	3.23	88.19	2.33
Short-term loans to related parties	2.55	0.04	5.61	0.10	5.61	0.12	5.61	0.15
Inventories	208.98	3.55	416.96	7.32	383.90	8.55	247.14	6.53
Other current assets	85.33	1.45	44.71	0.79	46.51	1.04	48.48	1.28
Non-current assets	3,375.47	57.28	2,127.49	37.36	1,549.22	34.49	1,379.82	36.47
Investment in associates	427.00	7.25	427.00	7.50	420.00	9.35	390.16	10.31
Other non-current financial assets	37.43	0.64	40.59	0.71	66.75	1.49	66.75	1.76
Other long-term investments	-	-	-	-	-	-	-	-
Property, plant and equipment	2,792.29	47.38	1,556.96	27.34	946.76	21.08	816.63	21.58
Right-of-use assets	33.33	0.57	44.07	0.77	54.79	1.22	47.22	1.25
Other intangible assets	47.15	0.80	25.82	0.45	29.39	0.65	34.88	0.92
Deferred tax assets	31.58	0.54	27.45	0.48	26.10	0.58	19.68	0.52
Other non-current assets	6.70	0.11	5.60	0.10	5.43	0.12	4.50	0.12
Liabilities and Equity	5,893.43	100.00	5,693.92	100.00	4,491.17	100.00	3,783.68	100.00
Liabilities	1,385.04	23.50	1,752.97	30.79	1,156.15	25.74	797.91	21.09
Current liabilities	1,259.26	21.37	1,633.15	28.68	1,045.46	23.28	718.06	18.98
Trade accounts payable	201.25	3.41	278.99	4.90	240.03	5.34	192.60	5.09
Other payables	868.96	14.74	1,202.14	21.11	709.61	15.80	468.64	12.39
Current portion of long-term loans from financial institutions	-	-	-	-	-	-	-	-
Current portion of finance lease liabilities	9.95	0.17	11.05	0.19	10.47	0.23	8.80	0.23
Current tax payable	106.94	1.81	129.86	2.28	85.34	1.90	48.02	1.27
Current provisions for employee benefits	72.16	1.22	11.11	0.20	-	-	-	-
Non-Current liabilities	125.79	2.13	119.82	2.10	110.69	2.46	79.85	2.11
Long-term loans from financial institution	-	-	-	-	-	-	-	-
Finance lease liability	29.54	0.50	39.48	0.69	50.35	1.12	44.25	1.17
Non-current provisions for employee benefit	96.25	1.63	80.34	1.41	60.33	1.34	35.60	0.94
Equity	4,508.39	76.50	3,940.94	69.21	3,335.02	74.26	2,985.77	78.91
Issued and paid-up share capital	308.29	5.23	308.29	5.41	308.29	6.86	306.09	8.09
Share premium on ordinary shares	1,082.23	18.36	1,082.23	19.01	1,082.23	24.10	1,021.35	26.99
Share-based payment reserve	23.97	0.41	5.91	0.10	-	-	-	-
Treasury shares	(38.98)	0.66	(12.57)	0.22	-	-	-	-
Warrant	-	-	-	-	-	-	19.03	0.50
Retained earnings – Legal reserve	30.84	0.52	30.84	0.54	30.84	0.69	30.84	0.82
Retained earnings – Treasury shares reserve	38.98	0.66	12.57	0.22	-	-	-	-
Retained earnings – Unappropriate	3,063.06	51.97	2,513.67	44.15	1,913.66	42.61	1,608.46	42.51

Statement of comprehensive income – Consolidated financial statements

Statement of comprehensive income	Consolidated financial statements							
	Year ended 31 Dec							
	2024		2023		2022		2021	
	million baht	%	million baht	%	million baht	%	million baht	%
Revenue								
Total revenue	7,052.79	104.09	6,207.71	102.56	4,899.51	107.29	3,712.77	107.80
Revenue from sale of goods	6,775.38	100.00	6,052.57	100.00	4,566.40	100.00	3,444.16	100.00
Other income	258.17	3.81	145.84	2.41	333.11	7.29	268.61	7.80
Accounting adjustments	-	-	-	-	-	-	-	-
Gain from change in interest in associate	-	-	-	-	-	-	-	-
Net foreign exchange gain	19.24	0.28	9.30	0.15	-	-	-	-
Total revenue (according to financial statements)	7,052.79	104.09	6,207.71	102.56	4,899.51	107.29	3,712.77	107.80
Expenses								
Cost of sales of goods	3,631.77	53.60	3,341.39	55.21	2,702.90	59.19	2,089.13	60.66
Accounting adjustments	-	-	-	-	-	-	-	-
Cost of sales of goods (according to financial statements)	3,631.77	53.60	3,341.39	55.21	2,702.90	59.19	2,089.13	60.66
Distribution costs	1,298.06	19.16	986.39	16.30	982.88	21.52	759.88	22.06
Administrative expenses	556.07	8.21	512.24	8.46	383.27	8.39	318.26	9.24
Net foreign exchange loss	-	-	-	-	8.51	0.19	5.68	0.16
Share of losses from investments in associated	-	-	-	-	-	-	-	-
Finance costs	2.05	0.03	2.55	0.04	2.29	0.05	2.52	0.07
Total expenses	5,487.95	81.00	4,842.57	80.01	4,079.85	89.34	3,175.47	92.20
TFRS 9	2.70	0.04	(19.74)	(0.33)	(3.87)	(0.08)	(0.86)	(0.02)
Loss from loss of control	2.55							
Share of loss of associates and joint venture accounted for using equity method	(1.21)	(0.02)	(20.12)	(0.33)	0.34	0.01	(20.23)	(0.59)
Profit before income tax expense	1,566.33	23.12	1,325.28	21.90	816.14	17.87	516.21	14.99
Tax expense	297.87	4.40	274.77	4.54	161.71	3.54	105.98	3.08
Profit for the year	1,265.91	18.49	1,050.52	17.36	654.43	14.33	410.23	11.91
Total comprehensive income (expense) attributable to								
Owners of the parent	1,252.55	18.68	1,074.20	17.75	653.15	14.30	410.81	11.93
Non-controlling interests	13.36	0.20	(23.68)	(0.39)	1.28	0.03	(0.58)	(0.02)
	1,265.91	18.68	1,050.52	17.36	654.43	14.33	410.23	11.91

Statements of cash flows – Consolidated financial statements

(Unit : baht)

Statements of cash flows	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021
Net cash from operating activities	1,307,951,251	1,663,695,257	1,014,952,626	693,388,814
Net cash from investing activities	(381,563,578)	(668,328,754)	(792,091,491)	(215,802,827)
Net cash from financing activities	(714,781,421)	(535,326,334)	(306,667,556)	(289,372,337)
Cash and cash equivalents at 1 January	554,204,035	298,805,528	382,609,637	194,389,005
Effect of disposals of investments in subsidiary	(3,759,542)	-	-	-
Effect of exchange rate changes on cash and cash equivalents	1,106,911	(4,641,662)	2,312	6,982
Cash and cash equivalents at 31 December	763,157,656	554,204,035	298,805,528	382,609,637

Statement of comprehensive income – Separate financial statements

Statement of comprehensive income	Separate financial statements							
	Year ended 31 Dec							
	2024		2023		2022		2021	
	million baht	%	million baht	%	million baht	%	million baht	%
Revenue								
Total revenue	6,709.41	104.30	5,966.25	102.63	4,642.75	107.54	3,445.98	108.31
Revenue from sale of goods	6,432.59	100.00	5,813.36	100.00	4,317.24	100.00	3,181.62	100.00
Other income	256.31	3.98	141.38	2.43	325.51	7.54	264.36	8.31
Accounting adjustments	-	-	-	-	-	-	-	-
Net foreign exchange gain	20.50	0.32	11.51	0.20	-	-	-	-
Total revenue (according to financial statements)	6,709.41	104.30	5,966.25	102.63	4,642.75	107.54	3,445.98	108.31
Expenses								
Cost of sales of goods	3,362.27	52.27	3,118.07	53.64	2,499.14	57.89	1,865.64	58.64
Accounting adjustments	-	-	-	-	-	-	-	-
Cost of sales of goods (according to financial statements)	3,362.27	52.27	3,118.07	53.64	2,499.14	57.89	1,865.64	58.64
Distribution costs	1,280.26	19.90	970.29	16.69	961.60	22.27	737.88	23.19
Administrative expenses	523.15	8.13	473.31	8.14	355.11	8.23	294.23	9.25
Net foreign exchange loss	-	-	-	-	6.91	0.16	13.92	0.44
Finance costs	1.46	0.02	1.81	0.03	1.59	0.04	1.77	0.06
Total expenses	5,167.15	80.33	4,563.48	78.50	3,824.35	88.58	2,913.44	91.57
TFRS 9	(0.13)	(0.00)	(0.71)	(0.01)	(4.33)	(0.10)	(1.09)	(0.03)
Profit before income tax expense	1,542.14	23.97	1,402.07	24.12	814.07	18.86	531.45	16.70
Tax expense	295.60	4.60	280.81	4.83	161.36	3.74	105.27	3.31
Profit for the year	1,246.53	19.38	1,121.25	19.29	652.71	15.12	426.18	13.40

Statements of cash flows – Separate financial statements

(Unit : baht)

Statements of cash flows	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021
Net cash from operating activities	1,238,898,980	1,645,370,579	1,015,529,912	673,858,067
Net cash from investing activities	(398,978,628)	(869,017,622)	(785,479,661)	(213,838,346)
Net cash from financing activities	(709,655,315)	(533,339,351)	(304,608,570)	(287,399,115)
Cash and cash equivalents at 1 January	488,360,925	249,988,981	324,544,988	151,917,400
Effect of exchange rate changes on cash and cash equivalents	(486,190)	(4,641,662)	2,312	6,982
Cash and cash equivalents at 31 December	618,139,772	488,360,925	249,988,981	324,544,988

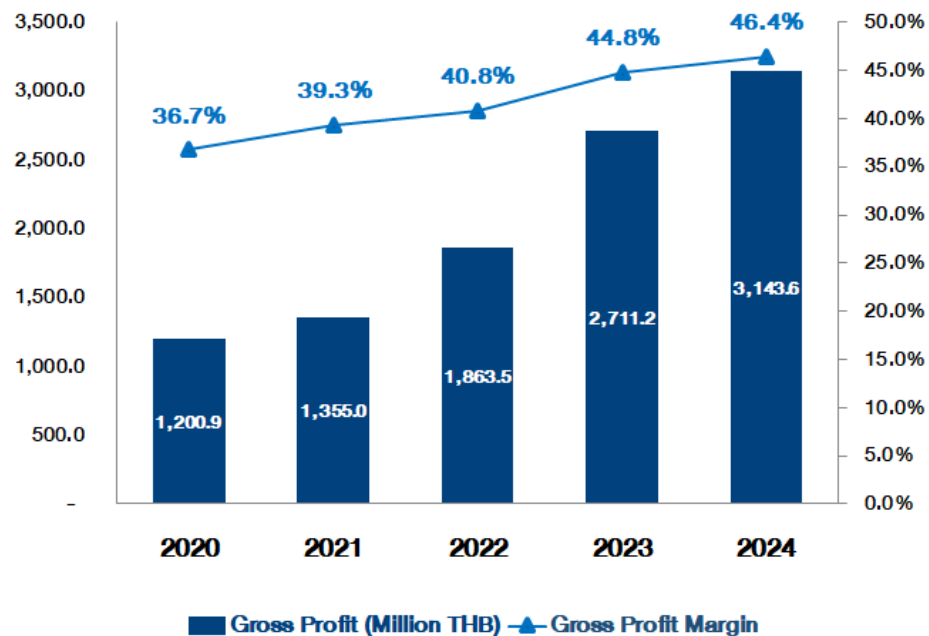
Financial Ratios

Financial Ratios	2024	2023	2022	2021
Liquidity ratio				
Liquidity ratio	2.09	2.22	2.87	3.39
Quick ratio	1.68	1.74	2.29	2.81
Cash ratio	0.89	1.22	1.12	0.98
Accounts receivable turnover	17.69	17.70	13.59	8.84
Average Collection Period (days)	20.35	20.34	26.48	40.73
Inventory turnover	14.79	9.48	11.89	18.46
Days Sales of Inventory (days)	24.34	37.98	30.27	19.50
Accounts payable turnover	15.44	13.34	13.16	10.48
Day Payable Outstanding (days)	23.32	26.98	27.36	34.36
Cash Cycle (days)	21.37	31.34	29.39	25.87
Profitability ratio				
Gross Profit Margin (%)	46.40	44.79	40.81	39.34
Operating Profit Margin (%)	19.00	19.99	10.66	7.80
Other Income to Total Revenue (%)	3.93	2.50	6.80	7.23
Cash to Profit Margin (%)	101.59	137.50	208.60	258.06
Net Profit Margin (%)	17.95	16.92	13.36	11.05
Return of Equity (%)	30.19	28.96	20.56	13.95
Efficiency ratio				
Return on Assets (%)	21.82	20.51	15.56	10.95
Return of Fixed Assets (%)	65.80	89.35	82.61	61.26
Assets turnover	1.22	1.21	1.17	0.99
Financial policy ratio				
Debt to Equity	0.32	0.46	0.36	0.28
Interest Coverage	514.41	830.56	553.20	358.80
Debt serviceability	1.15	1.15	0.90	1.79
Dividend Payout (%)	52.98	48.42	51.66	75.68

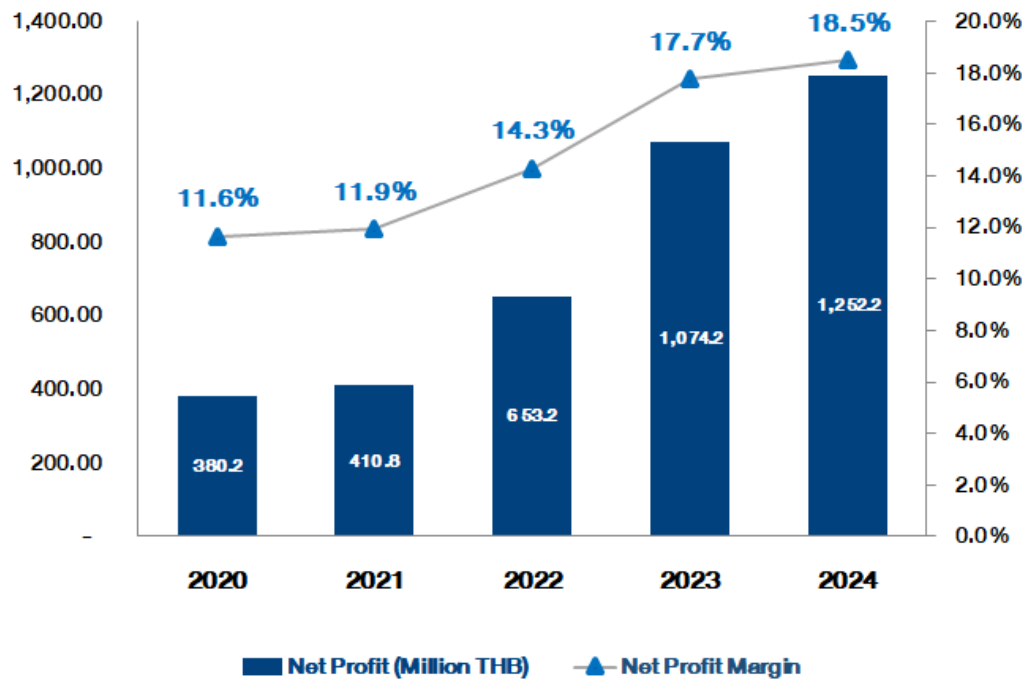
Revenue From Sale of Goods



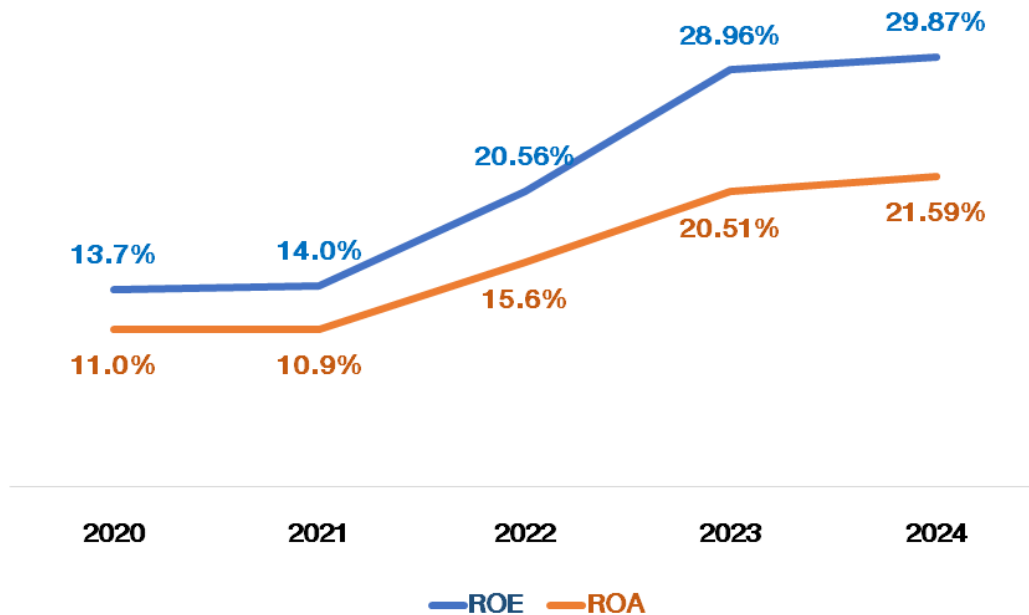
Gross Profit Margin



Net Profit and Net Profit Margin



Return on Asset and Return on Equity



1

**Business
Operation and
Performance
Results**

Part 1
Business Operation and Performance
(Reporting period from January 1, 2024, to December 31, 2024)

1. Structure and Business Operation

1.1 Policy and Overall Business

1.1.1 Vision, Mission, Objective and Goal of Business Operation

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

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

Objective and Goal

“The company focuses on becoming a leader in the food and beverage business to produce and distribute healthy products for consumers. We also emphasize on new product development and modern and eye-catching packages, and offer quality products as new alternatives for consumers.”

The company maintains its business goal in the next 3-5 years with sale growth of at least 10% per year. The growth will come from the company’s original business, launches of new innovative products to the market and business partnership with other companies. Additionally, operational strategies will be applied cautiously along with human resources development and efficient working process for business excellence. The operation will be carried out under good corporate governance in order to achieve the goal.

1.1.2 Significant Changes and Developments

2021

November

- The Board of Directors has resolved to approve the investment in shares of M-Intelligence Co., Ltd. (“M-Intel”), a Thai startup specializing in customer relationship management (CRM), data analytics, and digital technology. The company acquired 116,667 shares of M-Intel for a total amount of THB 70,000,200 representing 16.21% of M-Intel's total issued and outstanding shares.

2022

August

- The Board of Directors has resolved to approve Sappe Holding (Thailand) Co., Ltd. (a direct subsidiary of the company) to enter into a business partnership with Thai Broadcasting Co., Ltd. (“THB”), a wholly-owned subsidiary of Workpoint Entertainment Public Company Limited (“WORK”). The collaboration involves a joint investment in a newly established joint venture, WOPE Co., Ltd., to develop, produce, market, and distribute food and beverage products through innovation. The total investment in the joint venture amounts to THB 50 million, with Sappe Holding (Thailand) Co., Ltd. holding a 60% stake, while THB holds the remaining 40%.

December

- The Board of Directors has resolved to approve Sappe Holding (Thailand) Co., Ltd. (a direct subsidiary of the Company) in establishing SAPPE Philippines Corporation, a subsidiary abroad, with the objective of enhancing competitiveness and expanding its business operations.

2023

June

- The company has announced a strategic investment partnership with Power Root Berhad, a leading beverage manufacturer in Malaysia, to strengthen their respective capabilities in production, marketing, and distribution. Through this collaboration, Power Root's ready-to-drink coffee products will be introduced to the Thai market, while Sappe's products will be promoted for growth in Malaysia, leveraging the strengths of both companies.
- The Board of Directors has resolved to approve an investment project for the construction of a factory building, a warehouse, and the installation of machinery for beverage production. The factory and warehouse will be located within the company's existing facility in Lam Luk Ka District, Pathum Thani Province, on land owned by the company. The total investment will not exceed THB 1,630 million, funded through the company's cash flow.

August

- The Board of Directors has resolved to approve the divestment of the company's investment in Sappe Europe s.r.o., a subsidiary in which the company held a 60% stake of the registered capital, valued at EUR 3,983 (approximately THB 152,528.98). The decision was made due to Sappe Europe s.r.o.'s ongoing underperformance, which did not align with the company's business plan, and its continued losses with no clear future recovery strategy. The company believes that direct market operations in European countries will generate greater long-term business value. (The divestment was fully executed, and Sappe Europe s.r.o. ceased to be a subsidiary of the company on March 13, 2024)

March

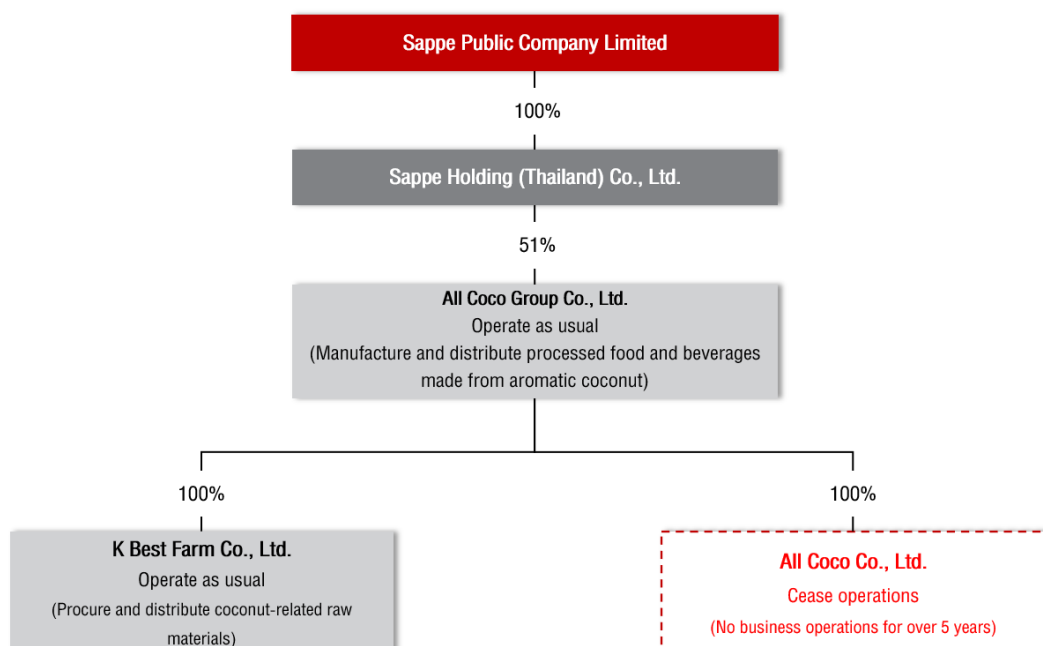
- The Board of Directors has resolved to approve an investment project for the acquisition of machinery for beverage production, located within the company's existing factory premises in Lam Luk Ka District, Pathum Thani Province, on company-owned land. The total investment will not exceed THB 750 million, funded through the company's cash flow. This investment aims to meet the increasing customer demand and support the expansion of the global food and beverage industry.

August

- The Board of Directors has resolved to approve the dissolution of WOPE Co., Ltd., a joint venture in which the company held a 60% stake through Sappe Holding (Thailand) Co., Ltd. (a direct subsidiary), in partnership with Workpoint Entertainment Public Company Limited ("WORK"), which held a 40% stake through Thai Broadcasting Co., Ltd. (a direct subsidiary of WORK). The dissolution aligns with the company's strategic restructuring plan and will not impact the company's operations.

November

- The Board of Directors has resolved to approve the dissolution of All Coco Co., Ltd. ("All Coco"), an indirect subsidiary in which the company held a 51% stake through Sappe Holding (Thailand) Co., Ltd. (a direct subsidiary). All Coco Group Co., Ltd. ("All Coco Group") held 100% of All Coco's shares. The dissolution aims to reduce expenses, as All Coco has been inactive for over five years and is no longer relevant to the company's future plans. This decision will not affect the company's operations. The details of the shareholding structure are shown in the diagram below.



1.1.3 Company Information

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, Bangkapi, Bangkok
Registration No.	: 0107556000591
Website	: www.sappe.com
Telephone	: 0-2319-4949
Fax	: 0-2319-7337
Email	: ir@sappe.com
Registered Capital	: 308,289,080 Baht, divided into 308,289,080 Common shares at THB 1 per share
Paid-up Capital	: 308,289,080 Baht, divided into 308,289,080 Common shares at THB 1 per share

1.2 Nature of Business Operations

1.2.1 Income structure

The Company and its subsidiaries' sales totaled to 4,566.4 million baht, 6,052.6 million baht, and 6,775 million baht in 2022, 2023, and 2024 respectively. Classification of sales into product categories are as follows.

Product Category	2024		2023		2022	
	%	Million Baht	%	Million Baht	%	Million Baht
1. Functional Beverage	13.8	936.0	8.7	524.8	10.5	478.7
2. Fruit Juice/Juice Drink	78.8	5,339.6	83.4	5,046.6	81.4	3,718.8
3. Functional Powder	4.7	319.9	4.5	270.6	4.7	212.5
4. Healthier Snack	2.6	173.3	3.4	205.9	2.8	127.7
5. Supplement and Others	0.1	6.6	0.1	4.6	0.6	28.6

The company's products are available both domestically and internationally. In 2024, the sales contribution between domestic sales and international sales is approximately 20.2:79.8

Sales Contributions	2024		2023		2022	
	%	Million Baht	%	Million Baht	%	Million Baht
Total	100.0	6,775.4	100.0	6,052.6	100.0	4,566.4
Domestic	20.2	1,371.7	19.1	1,156.3	23.1	1,052.1
International	79.8	5,403.7	80.9	4,896.2	76.9	3,514.3

1.2.2 Product Information

(1) Nature of Products or Services and Business Innovation Development

Sappe, a leading Thai innovative beverage brand, operates with the commitment: *"We better people's lives through our innovative spirit"*. Innovation is the driving force behind the company, shaping its creative, dynamic, and fun approach, which is reflected in both its products and corporate culture. In 2024, despite challenges in the domestic market, Sappe leveraged this opportunity to gain deeper consumer insights. These insights were used to develop products that better meet consumer needs and refine targeted communication strategies. With a holistic approach to business operations, Sappe integrates all activities towards a unified direction, ensuring outstanding results. Currently, Sappe offers five product categories, delivering high-quality beverages that cater to consumer demands in both domestic and international markets. These include:

1. Functional Beverage Category

- Sappe Beauti

A pioneer and market leader in the health and beauty beverage segment, specially designed for women. These drinks combine unique functional benefits, including collagen, fiber, chlorophyll, and other essential extracts, providing both refreshment and comprehensive beauty and wellness care.

With a delicious, sugar-free, and low-calorie formula, these beverages are ideal for those looking to maintain their shape and overall health. They are perfect for busy individuals who seek convenient self-care solutions, offering portable, ready-to-drink beauty and wellness support anytime, anywhere.

- **B'lue**

A refreshing vitamin-infused beverage with fruit flavors and aromas, enriched with Vitamin B3, B6, B12, and Vitamin C. Developed under Danone Sappe Beverages Co., Ltd., this product caters to the lifestyle of modern consumers with innovative and stylish packaging, delivering a sensory drinking experience that balances taste, aroma, and optimal portion size.

With flavors and ingredients that resonate with market preferences, this beverage aligns with the evolving consumer trend of seeking more than just plain water—offering a Water Plus / Flavored Water alternative that provides both hydration and functional benefits.

2. Fruit Juice/Juice Drink Category

- **Mogu Mogu**

The world's first fruit juice with large nata de coco chunks, pioneering the concept of "chewable drink" or Snack Drink, revolutionizing the global beverage market. Recognized and distributed in over 100 countries across all continents, this product offers a unique fruit juice experience with large, high-quality nata de coco pieces, carefully selected and maintained at export-quality standards for years. Continuously innovating, the company introduces exciting new flavors to keep consumers engaged worldwide. Beyond its delicious taste and fun chewable experience, Mogu Mogu has become a popular pairing with a variety of meals and is widely recognized as a Snack Drink that brings joy and refreshment to everyday life.

- **Sappe Aloe Vera**

A fruit juice infused with aloe vera in a variety of flavors, featuring large aloe vera chunks combined with a refreshing sweet and tangy taste. This unique combination has made the product widely recognized and beloved by consumers for years.

- **All Coco**

A premium aromatic coconut water, sourced from the finest coconut plantations in Ban Phaeo, Samut Sakhon, where experienced farmers carefully cultivate and harvest at the optimal time to ensure naturally sweet and fragrant coconuts with a distinctive taste. All Coco maintains strict quality control throughout the production process, ensuring products are free from chemicals and certified by Global Organic and G.A.P. international standards. This guarantees high-quality coconut water at a reasonable price, readily available for consumers seeking a pure and refreshing natural beverage.

3. Functional Powder Category

- **Preaw Coffee**

A weight-management coffee designed for health and beauty, available in a variety of formulas to cater to different body-shaping needs. The blend is sugar-free and contains Chromium Amino Acid, Chelate, imported from the USA, which helps control cravings. This makes Coffee Preaw an ideal companion for effective weight management.

- **Sappe Beauti Powder Stix**

A collagen drink mix for skin nourishment and a fiber drink mix to support digestion, both in a convenient powdered form. Priced at only THB 10 per sachet, these products make beauty and wellness accessible to a wide range of consumers, reinforcing the concept of “Beauty for All”.

4. Healthier Snack Category

- **Mogu Mogu Jelly**

Pouch Jelly – A Fun & Nutritious Snack for Kids & Teens. A delicious and nutritious jelly snack designed for children and teenagers, packed with essential vitamins for added health benefits. This innovative and fun format offers an exciting snacking experience, with a chewy texture from carrageenan and konjac, making it both filling and enjoyable.

- **Mogu Mogu Candy**

A delicious, sugar-free lozenge enriched with Vitamin C, offering a refreshing way to boost immunity while enjoying a tasty treat. Available in popular fruit flavors—lychee, strawberry, mango, and peach, these lozenges are perfect for consumers of all ages who seek a guilt-free, flavorful candy with added health benefits.

- **Gumi Gumi Jelly**

A fruit jelly snack made with carrageenan and konjac, introduced to enhance Sappe’s product portfolio in the mass market. It offers a delicious, filling, and nutritious snacking experience with high vitamin content. High Vitamin C helps support the immune system, while high B-complex vitamins contribute to brain and nervous system functions. Currently available in seven flavors: lychee, grape, mixed berries, orange, strawberry yogurt, green apple, and peach.

5. Supplements & Others Category

- **Sappe InYang**

A herbal liquid supplement in a shot format, providing effective throat soothing benefits with monk fruit, licorice, lime, and Indian gooseberry, along with 100% Vitamin C. Easy to drink and perfect for daily consumption, it helps boost confidence without the worry of throat irritation. This product stands out for its instant soothing effect from the very first sip.

- **Frenche Roast Coffee 3-in-1**

A rich and bold coffee crafted using the French roast technique, blending Arabica and Robusta beans for an intense flavor and distinctive aroma. Available in two flavors: Signature Blend and Salted Caramel, this product is a collaboration between Sappe and Power Root Berhad (PWRT: MK), a leading global beverage company from Malaysia, for distribution in Thailand. Recognizing the growing demand for new, bold coffee experiences, both companies saw an opportunity to introduce French Roast coffee to Thai consumers, offering premium quality at an accessible price.

Business Innovation Development

At Sappe, we cultivate a ‘**Home of Innovators**’—a dynamic work environment that fosters an **Innovative Spirit** and encourages **Experimental Creativity**. We empower our employees to think outside the box, take bold steps, and embrace failures as learning experiences—fall fast, rise faster—through structured programs and well-defined work processes. To reinforce our commitment to innovation, we have a dedicated Innovation Department led by the Chief

Brand Innovation & Growth Officer (CBIG). This executive role oversees all innovation-related aspects of the organization, including product development, corporate culture, communication strategies, brand positioning, and other areas where innovation can be integrated. This leadership structure highlights our dedication to continuous innovation and our vision to remain at the forefront

Guided by our mission — **"We Better People's Lives Through Our Innovative Spirit"** - Sappe is committed to developing healthier, eco-friendly products that benefit both consumers and the environment. Our in-house research and development teams continuously innovate new formulations that reduce sugar content and minimize artificial ingredients in our core beverages. We also enhance our machinery and production processes to adopt Tethered Caps and transition bottle labels from PVC to PET, ensuring greater sustainability. Beyond internal efforts, we collaborate with external partners on research and development initiatives to incorporate recycled PET (rPET) into our packaging, supporting a circular economy that reduces plastic waste and minimizes environmental impact. Through these innovations, we reinforce our commitment to creating a more sustainable and responsible future.

In addition to creating consumer-driven innovations, we actively support Thai farmers by sourcing raw materials from their produce and enhancing them with Sappe's expertise in innovation and product development. We have a Small Factory, a space where employees can research, develop, and test new products. It serves as a platform for experimentation, allowing employees to try, fail, and refine their ideas in a fun and creative environment. Many of our best innovations and products have emerged from these small-scale trials. Our success in promoting innovation is reflected in the launch of at least 20 new products per year, earning numerous industry awards. In 2024, we received prestigious recognition for our brand and products, including

1. Sial Innovation Paris 2024 – Awarded to Preaw Coffee (Black Coffee and Black Coffee with Orange) and Maxtive Jelly Bar.
2. Superior Taste Award 2024 by the International Taste & Quality Institute (iTQi) – Awarded to Keaf Sparkling Flavor Drink with Floral Extract.
3. Zenith Innobev Award 2024 (UK) – Best New Brand – Awarded to Mogu Mogu.
4. Zenith Innobev Award 2024 (UK) – Best Marketing/Social Media Finalist – Awarded to Mogu Mogu.
5. Sial Snack Award 2024 (Shanghai) – Awarded to Mogu Mogu.
6. Finalist of Thaifex - Anuga Taste Innovation Award 2024 – Awarded to Keaf Sparkling Flavor Drink with Floral Extract.

Marketing Communication Innovation

Sappe prioritizes consumer needs, differentiating its products by delivering real value through innovative presentations that align with global trends. The company integrates themes such as environmental sustainability and gender equality, which are gaining prominence worldwide. Additionally, Sappe capitalizes on the expansion of e-commerce and digital technology, allowing marketers and businesses to reach consumers effectively without relying solely on traditional trade channels.

A key focus is on responsible marketing, which is essential in today's landscape. Sappe is committed to educating consumers about nutrition and product information in a clear, transparent, and accessible manner. This is done through nutritional labeling on packaging, responsible advertising, and informative campaigns across onsite and online platforms. The company also collaborates with relevant organizations to ensure consumers have easy access to accurate nutritional information.

To uphold these standards, Sappe regularly trains employees in related departments—including marketing, product development, and regulatory teams handling FDA compliance—to keep them updated with the latest industry knowledge and ensure proper execution in their roles.

In 2024, alongside continuous new product launches, Sappe introduced innovative marketing strategies to engage target audiences and stay ahead of trends. One of the standout campaigns was "Suay Roa Mai Tong Suay Krai (Beauty through our eyes, not other people's)" by Sappe Beauti, making it one of the first beverage brands in the industry to embrace global trends in diversity and equality. This campaign centered around self-love and inclusivity, aligning with Gen Z's values, who are the primary target group. The brand clearly positioned itself as a supporter of self-love and equal representation, setting a new beauty standard trend. Additionally, the packaging design was revamped to reflect diversity in gender, body types, and skin tones, making it more relatable to Gen Z consumers.

Following the success of the self-love campaign, Sappe introduced a new product collaboration between B'lue Vitamin Water and What the Duck, a well-known music label. The partnership launched B'lue Limited Edition flavors, inspired by emotions: "Crazy in Love" by The Toys and "Broken Heart" by Bowkylion. This unique concept of translating emotions into flavors resulted in an engaging and satisfying consumer experience, receiving highly positive market feedback.

In the international market, Sappe focused on strengthening Mogu Mogu's presence worldwide with its first-ever global brand campaign, "Sip Chew Feel Mogu Mogu." The campaign launched in South Korea and France, two key markets that serve as trendsetters for global brand engagement. To enhance its impact, SEVENTEEN, a globally renowned K-Pop group, was introduced as the Global Brand Ambassador, embodying fun, vibrancy, and youthful energy. By leveraging K-Pop's popularity, the campaign successfully increased brand awareness, perception, and market expansion.

To enhance opportunities and competitiveness while co-creating further innovations, Sappe collaborates with local enterprises, research institutes, educational institutions, and leading universities across Thailand. These partnerships focus on developing products that align with evolving consumer trends and behaviors.

On a global scale, Sappe has formed a strategic alliance with Power Root Berhad (PWRT: MK), a leading Malaysian beverage manufacturer. This partnership aims to strengthen both companies' capabilities in production, marketing, and distribution. Through this collaboration, Power Root's instant coffee products will be introduced to the Thai market, while Sappe's products will be expanded in Malaysia, reinforcing the strengths of both companies.

Additionally, Sappe is committed to efficient value chain management through innovation and advanced technology, aiming to minimize environmental impact and address climate change challenges. The company has

invested in an Automated Storage & Retrieval System (AS/RS) alongside factory expansion and a new production line, supporting growth while reducing greenhouse gas emissions. In partnership with suppliers, Sappe has also developed sustainable packaging, including recycled plastic resin packaging and recyclable paperboard packaging that naturally decomposes. The company has further implemented renewable energy initiatives, such as Solar Floating panels on wastewater treatment ponds and Solar Rooftop panels on factory buildings, as part of its commitment to carbon footprint reduction. These initiatives underscore Sappe’s dedication to sustainable innovation and responsible environmental stewardship.

Eco-Friendly Packaging Innovations

In 2024, Sappe prioritizes the development of environmentally friendly packaging by improving material usage efficiency and minimizing environmental impact across multiple dimensions.

- **100% of product labels** have been transitioned from **PVC to PET**, ensuring better recyclability.
- **Tethered caps** have been introduced in select international markets, helping reduce waste by up to **210 million caps per year**.
- **Recycled PET (rPET)** is now used in bottle production, reducing reliance on virgin plastic and promoting circular material usage.
- **Lighter bottle caps** have been designed, reducing plastic usage by **63 tons per year (63,000 kilograms)**.

These initiatives reflect Sappe’s ongoing commitment to sustainability and responsible packaging innovation.

Research and development (R&D) Expense in three-year period				(Unit : Baht)
R&D Expense List	2024	2023	2022	
Expense in conducting research and development (R&D)	20,873,125	25,969,000	21,048,000	

(2) Marketing and Competition

(2.1) Maketing

International Market

With global economic uncertainty driven by inflation, high interest rates, and exchange rate fluctuations, consumers have become more cautious with their spending, prioritizing savings and reducing non-essential purchases. While e-commerce has stimulated purchasing in certain segments, competition in imported product markets, such as bottled water, remains challenging. Importers face strong local competitors with lower production costs and better market access. To navigate these challenges, businesses must focus on brand building, maintaining product quality, and creating clear differentiation to enhance credibility and attract consumers. Additionally, price strategy adjustments and a commitment to sustainability have become key factors in gaining a competitive edge in the rapidly evolving market.

International product distribution channels typically operate through importers and distributors in each country, segmented by region or distribution expertise. Modern Trade (MT) channels, including department stores

and supermarkets, provide broad coverage, while Traditional Trade (TT) channels, such as local grocery stores and e-commerce, cater to community-based retail. Distribution structures vary across countries, with some markets relying on an exclusive importer, while others use regional distributors to optimize market reach and consumer accessibility.

To support sustainable growth, the company has expanded into key potential markets, establishing Sappe Philippines Corporation in the Philippines with a dedicated local team specializing in consumer behavior and distribution networks. This localized approach enables the company to effectively tailor sales and marketing strategies to meet market-specific demands, ensuring long-term success.

Domestic Market

In 2024, the global economy continues to face challenges from rising energy prices and inflation, which have impacted consumer purchasing power, leading to more cautious spending behavior. However, the growth of the tourism industry and the expansion of the online market remain key factors supporting domestic economic growth. External factors, such as political and global economic conditions, continue to be significant variables that may affect future business operations.

Domestic product distribution channels play a crucial role in enhancing market reach. Selecting the right channels for target consumers and specific markets allows the company to effectively meet customer demands, driving growth and competitiveness. The company categorizes its distribution channels into four main types.

1. Modern Trade (MT) refers to large-scale retail distribution channels with advanced management systems, such as department stores, supermarkets, and major retail chains like Lotus, Big C, Makro, and 7-Eleven, as well as hypermarkets and supermarkets utilizing computerized systems, promotional management, and modern stock control.

This channel remains a priority due to its continuous growth in sales and store expansion. In 2024, the company continues to introduce new products for this segment, such as Preaw Coffee, Black Coffee, Beauti Powder Sticks Collagen, and B'lue Vitamin Water. Additionally, efforts have been made to optimize product placement in stores through a dedicated merchandising team, ensuring that products are well-organized by category and sufficiently stocked for consumer demand.

2. Traditional Trade (TT) consists of local stores, small grocery shops, and wet markets, distributing products nationwide through various types of distributors. In 2024, the company operates three distribution models within this channel.

2.1 National Distributors are independent external companies responsible for wholesale distribution across the country. They purchase products from the company and supply them to smaller retail stores while ensuring product availability for designated sales areas.

2.2 Local Distributors manage distribution in specific regions assigned by the company to improve penetration into smaller retail stores and increase visit frequency in strategic locations.

2.3 Specialty Retailers are directly managed by company employees, focusing on sales to niche markets such as beauty salons, schools, restaurants, large wholesale stores, and vending machines. These outlets are separate from distributor-managed stores, allowing for greater diversity and market expansion.

In 2024, the traditional trade channel continues to grow steadily, particularly due to the shift from regional beverage distributors to nationwide distributors, expanding access to over 30,000 retail outlets. Additionally, Beauti Powder Sticks have significantly contributed to sales growth, offering an attractive combination of affordability and quality that aligns with consumer preferences.

3. The Out of Home (OOH) & Industrial channel focuses on distributing products and services used in public spaces and business establishments, including restaurants, hotels, amusement parks, and airports. It also covers industrial channels where products are supplied as raw materials for production, such as desserts, ice cream, and bakery items.

Over the past year, the coconut shortage and rising prices created opportunities for core products, particularly in the raw material segment, leading to sales growth and successful expansion into new customer segments. Additionally, the OOH channel in airports experienced significant sales growth, driven by the recovery of the tourism industry, which boosted consumer spending in these locations.

4. The e-commerce channel continues to expand in 2024, with the company growing its customer base across various platforms, including Social Commerce and Marketplace. Tiktok, in particular, has received strong consumer engagement, especially for Beauti Powder Sticks, which align with consumer behavior trends focused on online shopping and increased health awareness. To enhance service efficiency, the company has expanded its e-commerce team to improve response speed and customer service quality. Additionally, deep data analytics is being utilized to refine customer experience, enhance service offerings, and analyze market trends for future product development that better meets consumer demands.

(2.2) Competition

The company has established both short-term and long-term strategies to respond to market trends, technological advancements, and the rapidly changing competitive landscape. A key focus is fostering collaboration across all departments, including sales, production, and support teams, to develop high-quality products that align with health, beauty, and lifestyle needs while continuously improving production processes.

An important milestone was the launch of Mogu Mogu Candy in 2023, an extension of the flagship brand designed to meet the preferences of younger consumers and new target groups.

Beyond product innovation, the company remains committed to organizational and employee development, ensuring a positive work environment and continuous learning across research, production, logistics, and overall operational processes. By enhancing workforce capabilities and maintaining a diverse, high-quality product portfolio, the company aims to meet the needs of consumers across all demographics and occasions.

These efforts are designed to build strong brand trust, enhance brand loyalty, and create long-term brand value, ensuring continued growth and competitiveness in the market.

International Market: The company is committed to expanding its presence in international markets through strategic marketing initiatives.

1. Elevating a Thai brand to a global brand, by emphasizing brand development and business expansion in alignment with each country's market potential. Marketing activities integrate both online and on-ground engagement to create strong connections with consumers, encourage participation, and drive brand loyalty.

In 2024, a major milestone was achieved with the global expansion of Mogu Mogu, marked by the introduction of its first Global Brand Ambassador, SEVENTEEN, a leading K-pop group with a strong global fanbase (Carat) and multiple chart-topping hits. Their powerful performances and well-rounded talents resonate with Gen Z worldwide.

2. Partner relationship management, ensuring strong partnerships worldwide through a win-win approach that has facilitated business expansion into over 100 countries. Partnerships go beyond traditional importer-distributor roles, evolving into strategic collaborations that drive brand awareness and business growth. The company aligns its objectives with partners by providing ongoing support and insights to strengthen brand foundations. This includes the development of a Partnership Platform and a Partnership Scorecard, which help identify and nurture partners for long-term success. Performance evaluations are conducted quarterly to refine business strategies and improve operational efficiency.

The company also fosters closer collaboration with partners through an integrated network covering inventory management, ordering systems, and commercial planning. The commercial team works alongside partners to develop marketing initiatives tailored to each country, ensuring seamless operations and sustainable sales growth.

A key step in this expansion was the establishment of Sappe Philippines Corporation in the Philippines, which enables deeper consumer insights and a localized market approach. Alongside geographic expansion, the company continues to invest in research, talent development, and product innovation to cater to diverse demographics and consumption occasions while enhancing long-term brand value.

3. Good product development with Consumer Centric. The company prioritizes consumer needs in product innovation, ensuring high quality and maximum benefits. This consumer-centric philosophy has been a key driver of success for over two decades. The company remains dedicated to offering high-value products that address diverse consumer demands worldwide, supported by ongoing market research to gain in-depth consumer insights in different regions. Every aspect, from product formulation and packaging to marketing strategies, is designed to align with the Think Global, Win Local principle. Further expansion plans include diversifying the Mogu Mogu brand into new product categories to attract new consumer segments and cater to various consumption occasions, creating additional business opportunities.

Looking toward the future, the company continues to study market trends and consumer behavior, integrating the latest food and beverage production technologies from both local and international sources to drive innovative product development. At the same time, the company remains committed to maintaining its brand uniqueness, ensuring that products serve as the preferred choice for consumers—a core principle that has always guided its operations.

Domestic market has the following competitive marketing strategies

1. Differentiation Strategy, focusing on continuously developing and maintaining high product quality while designing and presenting products that align with consumer needs. In 2024, the company redesigned the Sappe Beauti product labels to attract younger consumers and launched new B'lue flavors, "Broken Heart" and "Crazy in Love", featuring label designs with popular artists to enhance appeal and brand recognition among target consumers.

2. Market Penetration Strategy, focusing on increasing market share by expanding distribution channels, particularly in Traditional Trade and E-Commerce. The company also prioritizes customer relationship building through marketing campaigns that align with consumer needs. An example is the Self Love campaign, which was launched to promote the Sappe Beauti product line during its relaunch, targeting key distribution channels that effectively reach the intended consumer group.

3. Strategic Alliances, involving collaboration with business and marketing partners to strengthen market position and enhance competitiveness. This includes co-branding initiatives and partnerships with influencers to expand brand reach. Additionally, the company focuses on building strong relationships with distributors and business partners to ensure effective product distribution and market presence.

4. Partner Relationship Management, by focusing on building and maintaining strong relationships with retailers and distributors, ensuring broader product accessibility for consumers. Effective partner management goes beyond sales support, encompassing strategic alliances, shared experiences, sustainability initiatives, and technology integration to enhance operational efficiency at every stage. Collaborating closely with retail partners enables sustainable market growth and expansion. Co-developing new products with partners is a key approach to creating tailored solutions that meet the specific needs of different sales channels. Retailers provide valuable consumer insights, helping the company refine and improve its products to better align with market demands.

Transparency is also a crucial factor in partnership management. Sharing information and setting common goals allows both parties to adjust strategies and plan effectively, ensuring alignment and long-term success. Examples include initiatives like Joint Business Plans and Joint Forecasting, which facilitate strategic collaboration and mutual growth.

5. Good Product Development with Consumer-Oriented, by focusing on creating value for customers and fostering long-term relationships. Understanding consumer needs, utilizing data and technology, continuously improving products, and ensuring sustainability in the production process enable the company to compete effectively in a highly competitive market.

Over the past year, the company has focused on utilizing Big Data and technology to enhance accuracy in product development and respond quickly to customer needs. This has been achieved through data analysis from various sources, such as purchase data from retail stores, online data, and consumer surveys, which continue to grow. In addition, the company is committed to sustainability in product development, recognizing that modern consumers value not only high-quality products but also their environmental and social impact. This includes initiatives such as using sustainable, eco-friendly materials, developing products that reduce greenhouse gas emissions, and minimizing waste in production processes. Consumer safety remains a top priority, especially for

vulnerable groups like young children, who may be at higher risk of choking. For example, while our jelly products are designed for all age groups, we take extra precautions to prevent such risks by clearly and comprehensively labeling product packaging—exceeding legal requirements. This helps consumers make informed purchase decisions with confidence and ensures safe consumption.

Overall Marketing and Competition in Each Category

1. Functional Beverage Category

1.1 Sappe Beauti

As the leader in the functional beverage market, Sappe Beauti has announced a major rebranding to further expand its reach among younger consumers. The rebranding is spearheaded by a powerful Digital TVC, emphasizing beauty in all forms through the campaign “Suay Roa Mai Tong Suay Krai (Beauty through our eyes, not other people’s)”. This initiative redefines beauty as diverse and unique, eliminating the need for comparison. With its strong presence as Thailand’s leading beauty beverage brand, Sappe Beauti aims to spark change within the industry and society, pushing boundaries and encouraging self-confidence among the younger generation. The campaign promotes the belief that everyone can embrace their own beauty equally. To reinforce this message, the brand collaborated with a world-renowned product design champion to create new label designs that resonate with Gen Z consumers. This reaffirms Sappe Beauti’s position as Thailand’s No.1 beauty beverage brand, committed to understanding consumers and celebrating beauty in all its forms.

1.2 B'lue

B'lue continues to experience steady and sustained growth after expanding its target audience to Gen Z. This year, the brand introduced new products inspired by Gen Z’s mental health concerns, a key pain point identified through research. Studies reveal that music plays a significant role in emotional healing, with 52% of Gen Z and Millennials using music to cope with mental health challenges (Spotify data). In response, B'lue launched two flavors, each representing a different emotion, blending music and taste perception to create a beverage experience beyond just flavor—offering something entirely new to consumers. “Broken Heart Flavor” reflects unfulfilled love, filled with both joyful and sorrowful memories, just like its sweet and tangy taste combination. This mirrors the emotions conveyed in Bowkylion’s song “Suantaang” (ส่วนตัว). “Crazy in Love Flavor” is inspired by the distinctive scent and taste of infatuation, a sensory memory that lingers just like the emotions tied to falling deeply in love. This resonates with the theme of The Toys’ song “Lalalay” (ลาลาลอย). By redefining beverage innovation through emotion-driven flavors, B'lue has broken design boundaries and created a refreshing excitement in the beverage market.

2. Fruit Juice/Juice Drink Category

2.1 Mogu Mogu

In 2024, Mogu Mogu has fully stepped onto the global stage, expanding its product range to meet consumer demands and strengthen its presence in international markets. Beyond its signature fruit juice with chewy bits, the brand has introduced new innovations, including Mogu Mogu Jelly and Mogu Mogu Candy, designed to enhance the fun and excitement of the consumption experience. These products were launched under “Sip Chew Feel Mogu

Mogu", the brand's first-ever global campaign, which debuted in South Korea and France, two influential markets in global trends. The campaign is further amplified through the endorsement of SEVENTEEN, a globally renowned K-pop group serving as Mogu Mogu's Global Brand Ambassador. Their youthful energy and charm have helped the brand reach a wider audience through various promotional channels, including TV commercials and diverse marketing platforms, driving brand awareness and consumer engagement.

Beyond global media promotion, Mogu Mogu has also launched Limited Edition products and exclusive gifts, along with a highly anticipated return to the Thai market via Makro, Lotus, and online platforms. This move specifically caters to Gen Z consumers and K-pop fans in Thailand, allowing the brand to reconnect with local consumers more closely this year.

The **"Sip Chew Feel Mogu Mogu"** campaign marks a significant milestone, bringing joy and excitement to fans worldwide. It serves as a key step toward establishing Mogu Mogu as a truly global brand, securing a long-lasting place in consumers' hearts across international markets.

2.2 Sappe Aloe Vera

In 2024, Sappe Aloe Vera has successfully retained its existing customer base through its consistent product quality and signature taste while expanding to new consumer segments. The brand has introduced its products into school distribution channels, targeting students as a growing consumer group. This expansion has led to a significant increase in consumption of Sappe Aloe Vera, reinforcing its market presence. The product continues to highlight its key selling point—large, juicy, and hydrating aloe vera pieces, which remain a distinctive feature of both the product and brand. Currently, Sappe Aloe Vera is available in six flavors:

- Grape
- Lychee
- Apple
- Red Grape
- Honey Lemon
- Peach

2.3 All Coco

In 2024, All Coco continues to expand its market presence among coconut-based ingredient consumers by launching frozen young coconut meat. The brand has also collaborated with Chef Fern from Fern's Simple, featuring creative dessert and food recipes made with All Coco products across online media platforms throughout the year. Additionally, customer engagement activities were introduced, allowing All Coco consumers to join exclusive cooking classes with Chef Fern, further increasing brand awareness.

All Coco also leveraged its strong production capabilities, ensuring a steady product supply even during periods of high coconut prices and shortages caused by natural disasters. This strategic advantage has led to significant growth for the brand this year.

3. Functional Powder Category

3.1 Preaw Coffee

With the growing health-conscious trend, more coffee consumers—particularly younger generations—are turning to black coffee due to its low-calorie content, as it contains no milk or creamer. As a leader in health and beauty coffee, Preaw recognized this opportunity and introduced "Preaw Black Coffee", designed to help control hunger and reduce cravings. Black coffee is known to enhance metabolism, boost fat burning, and be easily prepared in cold water.

Additionally, the brand launched "Preaw Black Coffee Orange", enriched with Garcinia extract, which aids fat metabolism, starch and fat absorption blocking, and promotes intestinal movement to facilitate fat elimination.

3.2 Sappe Beauti Powder Stix

After successfully entering the collagen powder drink market with an affordable price point through Traditional Trade and e-commerce, which received positive feedback last year, the distribution has now expanded to convenience stores nationwide to reach an even broader consumer base.

Reinforcing the brand's commitment to "accessible beauty without high costs", the product line has been extended to include fiber powder drinks for just 10 THB per sachet. The new variants, Tamarind and Lime, cater to diverse consumer needs, including food lovers concerned about weight management, individuals with digestive issues, and those seeking to increase their fiber intake.

4. Healthier Snack Category

4.1 Mogu Mogu Jelly

Experience a unique kind of fun with Mogu Mogu Jelly—a ready-to-drink jelly packed with delicious, refreshing fruit flavors and a chewy texture that lets you Sip, Chew, and Feel every moment.

- **Variety of Flavors:** Featuring popular fruit selections like Lychee and Strawberry, with Mogu Mogu's signature fruity aroma.
- **Jelly with Chewy Nata de Coco:** Enjoy a fun-to-chew texture, combining soft and bouncy nata de coco in every sip.
- **Convenient On-the-Go Packaging:** Comes in an easy-to-carry pouch, perfect for work, school, or relaxation moments.

Mogu Mogu Jelly is more than just a drink—it's a whole new experience worth trying!

4.2 Mogu Mogu Candy

A sugar-free candy that delivers the refreshing taste of Mogu Mogu, now in an adorable, portable bottle design. Enjoy the fruity aroma of your favorite flavors in every bite, bringing brightness to your day with four irresistible flavors:

- **Peach:** A delicate, sweet fragrance that refreshes your day.
- **Lychee:** Lightly sweet with a fresh and vibrant lychee taste.
- **Strawberry:** A perfect balance of sweet and tangy, with a rich aroma that feels like stepping into a strawberry field.
- **Mango:** Juicy and fragrant with the smooth sweetness of ripe mango.

4.3 Gumi Gumi Jelly

Gumi Gumi, a fruit jelly snack made with carrageenan and konjac, is a new addition to Sappe's product portfolio, positioning the brand for mass market competition. This product not only delivers delicious and satisfying flavors but also stands out by catering specifically to students with high vitamin content and a variety of fruity flavors. In 2024, Gumi Gumi launched a nationwide school sampling tour across Thailand, ensuring direct engagement with its target audience and strengthening its market presence among young consumers.

5. Supplements & Others Category

5.1 Sappe InYang

In 2024, Sappe continues its online marketing efforts to promote Sappe InYang, a product designed to support the health and well-being of Thai consumers. The brand's online product lineup includes InYang herbal drinks and dietary supplements, developed in collaboration with Huachiew University under the brand "Sappe InYang X Huachiew". This product line features two formulas: Refreshing Formula (Red Box) for night owls, hard workers, and those with limited rest, providing a revitalizing boost, and Calming Formula (Blue Box) for those who overthink, struggle with sleep, and need emotional balance, helping reduce stress and restore internal harmony based on traditional Chinese medicine principles. The supplements come in convenient daily sachets, making them easy to consume and carry, perfectly suited for the modern lifestyle. Targeting the Silver Age demographic—affluent older consumers, this expansion strengthens the brand's product portfolio while meeting the growing demand for holistic

5.2 Frenche Roast Coffee 3-in-1

The coffee consumption trend in Thailand is shifting towards roasted and freshly brewed coffee, particularly among consumers aged 35-55. This presents a significant market opportunity for Frenche Roast, which brings the taste and quality of fresh coffee into an instant coffee format. Frenche Roast, a French-style roasted coffee imported from Malaysia, introduces a new dimension to the premium coffee market with its Micro Ground technology, which preserves the rich aroma and full-bodied flavor of the coffee beans. This process is combined with freeze-dried coffee beans, maintaining freshness and a signature fragrance, making Frenche Roast the perfect choice for consumers who appreciate a premium coffee experience.

To engage coffee enthusiasts, Frenche Roast launched a campaign highlighting its rich taste and captivating aroma, while showcasing the meticulous production process, from roasting and grinding to packaging, ensuring the highest quality standards. Positioning itself as a go-to premium coffee brand, Frenche Roast offers a deep, refined flavor and an irresistible aroma, setting itself apart in the growing roasted coffee market.

(3) Procurement of Goods and Services

Manufacturing Facility

Khlong 13 Factory spans a total area of 204 rai, 2 ngan, and 31 square wah. Construction began in 2010, and production commenced in 2012. It is located at 8, Moo 7, Phuech Udom Subdistrict, Lam Luk Ka District, Pathum Thani Province. The factory utilizes modern technology, advanced machinery, and environmentally friendly systems to minimize pollution.

The site consists of two factory buildings and one warehouse. The first factory building houses production lines for health and beauty beverages, fruit juices, and flavored drinks, operating five production lines with a maximum production capacity of 185,702 tons per year. The second factory building is dedicated to instant health and beauty powder drinks, with a maximum production capacity of 1,379 tons per year. It also includes a pouch product production line with a capacity of 6,720 tons per year, along with three additional production lines for new product development.

To accommodate increasing production and storage demands, the company has expanded the factory and constructed a modern warehouse featuring an Automated Storage & Retrieval System (AS/RS) with a storage capacity of 26,616 pallets. Additionally, one new production line has been added to align with the company's future growth plans.

With a commitment to social and environmental responsibility, the company has adopted solar energy innovations by installing solar panels on factory rooftops and floating solar panels on water surfaces to generate renewable energy. This initiative aims to reduce reliance on coal-generated electricity and lower CO₂ emissions, a major greenhouse gas contributing to global warming. In 2024, the company successfully reduced electricity consumption from the national grid by approximately 2,670,231 kWh.

For quality management, the company continues to develop and maintain various management systems to enhance efficiency, ensuring consistent work standards, product quality, and safety. The certifications obtained by the company include:

- Food Safety Management Systems: FSSC22000, ISO22000, HACCP, and GHPs
- Environmental Management System: ISO14001
- International Standard for Greenhouse Gas Emissions Disclosure: ISO 14064-1
- Laboratory Competency Standard: ISO/IEC 17025:2017 (expanded in 2024 to include APC analysis certification)
- Good Hygiene Practices (GHP) & HACCP Certification for Plant-Based Products from the Department of Agriculture
- Religious-Based Manufacturing Standards: HALAL CICOT, HALAL MUI, and KOSHER

Production Capacity and Production Volume. The company's capacity in beverage production between 2022 and 2024 at the factory were as follows:

Khlong 13 factory	2024	2023	2022
Maximum production capacity (Tons)	185,702	176,880	158,976
Production volume (Tons)	136,138	157,070	114,917
Capacity utilization rate	73	89	72

The company's production depends on the sale and marketing plans at certain periods and demand in the market to have enough products for both domestic and international markets. Finished goods inventory will also be considered to prevent oversupply.

Responsible Raw Materials Sourcing Policy

Sappe is committed to conducting business with the belief that "We better people's lives through our innovative spirit." The company operates with respect, fairness, and sustainability for all stakeholders throughout its value chain. To ensure that business operations adhere to sustainable raw material sourcing practices, Sappe has established a Responsible Sourcing Policy that applies to all company divisions, including the Board of Directors, executives, and employees at all levels. Additionally, the company encourages partners, suppliers, and all business allies to comply with this policy.

Sappe's sourcing policy prioritizes local suppliers who conduct business in an environmentally friendly manner, adhere to ethical business practices, maintain non-discriminatory policies, prohibit child labor and forced labor, and ensure that all business operations comply with legal and regulatory

Guiding Practices

- Selecting and screening potential suppliers who comply with legal and regulatory requirements.
 - Promoting the reduction of chemical use, including pesticides and insecticides.
 - Encouraging responsible water use and reducing water consumption in agriculture.
 - Respecting human rights, including the prohibition of child labor, forced labor, and illegal labor.
 - Supporting, assisting, and contributing to the development of supplier capabilities through responsible sourcing and value chain management.
- Encouraging biodiversity preservation in raw material sourcing, particularly agricultural resources.
 - Promoting sustainable farming practices, such as soil preservation and fertility management.
 - Developing operational processes to minimize environmental impact.
 - Committing to traceability of raw materials and products to support sustainable sourcing practices.

Sappe is dedicated to upholding these principles with suppliers and business partners, aiming to develop a responsible and transparent supply chain based on integrity, fairness, and accountability. Through collaborative growth, the company and its partners will drive sustainable business development that extends its positive impact on society.

Eco-Friendly Packaging Innovations

In 2024, Sappe prioritizes the development of environmentally friendly packaging by improving material usage efficiency and minimizing environmental impact across multiple dimensions.

- 100% of product labels have been transitioned from PVC to PET, ensuring better recyclability.
- Tethered caps have been introduced in select international markets, helping reduce waste by up to 210 million caps per year.
- Recycled PET (rPET) is now used in bottle production, reducing reliance on virgin plastic and promoting circular material usage.
- Lighter bottle caps have been designed, reducing plastic usage by 63 tons per year (63,000 kilograms).

These initiatives reflect Sappe's ongoing commitment to sustainability and responsible packaging innovation.

In 2025, the company plans to initiate new projects aimed at enhancing sustainability in production processes. These include the development of biodegradable coffee sachets, reducing plastic bottle weight, and improving standards for nata de coco production facilities to further elevate sustainability practices.

Raw Materials and Suppliers

The company is committed to sourcing high-quality raw materials and packaging to support its production process, ensuring superior product quality and flavors that resonate with consumers. Key raw materials include fruit juice concentrate, fruit pieces such as nata de coco, and active ingredients like syrup, fiber, collagen, and vitamins. The company also produces its own packaging, including paper boxes and PET bottles, using Polyethylene Terephthalate (PET) as the primary material for bottle production.

Details of raw materials procurement are as follows:

1. Concentrated fruit juice (Concentrate): The company domestically orders through importers of concentrated fruit juice.
2. Fruit bits, including nata de coco, are a key ingredient, with the company prioritizing domestic suppliers. In 2024, 63% of nata de coco purchases came from local sources, while 37% was imported. The purpose of sourcing from international suppliers is to ensure raw material stability and meet growing demand. This strategy helps mitigate supply shortages while promoting sustainability within the supply chain.
3. Active ingredients, such as fiber, collagen, and various vitamins, are sourced through domestic suppliers that import from multiple international sources. This approach ensures high-quality ingredients that are suitable for the company's formulations.
4. Packaging materials, specifically PET resin for PET bottle production, are 100% sourced domestically. In 2024, the company began using recycled PET resin (rPET) to repurpose waste from the production process. Starting from Q4 2024, this initiative reflects the company's commitment to environmental responsibility and efficient resource utilization.

In 2024, the company did not have any single supplier accounting for more than 30% of total raw material purchases.

To mitigate risks, the company conducted a risk assessment of its top 20 suppliers based on purchase value. Strategic agreements were made with key suppliers to lock in prices and secure raw material volumes, helping to stabilize costs and prevent future shortages. For other suppliers, the company implemented short-term contracts ranging from 3 to 6 months, while maintaining optimal stock levels without excessive inventory buildup. Throughout 2024, the company collaborated with key suppliers to enhance supply chain efficiency while exploring new procurement strategies to improve purchasing processes.

Additionally, the company follows a competitive bidding process, comparing prices, quality, and terms from at least two to three suppliers to prevent unfair pricing. Information is exchanged transparently to align procurement with production planning, ensuring raw material availability while maintaining optimal production costs. Risk factors

related to supply chain management are reviewed quarterly in the company's Risk Management Working Team meetings to ensure that risk management strategies align with the company's business

Partner Relationship Management

Maintaining positive and sustainable relationships with business partners enhances collaboration and operational efficiency. The company's procurement policy prioritizes transparency and responsible sourcing of raw materials, products, and services that align with quality standards, innovation, and ESG (Environmental, Social, and Governance) principles. Additionally, procurement decisions are based on timeliness, location, cost-effectiveness, and the ability to meet the needs of business units and production facilities efficiently.

Sappe treats all business partners fairly and equally, ensuring that supplier operations are systematically recorded and traceable. While maintaining strong relationships is at the heart of supply chain management, Sappe enforces strict compliance with business integrity, ethical conduct, company policies, and legal regulations, with no exceptions. To ensure compliance, ethical guidelines and business conduct requirements are explicitly detailed in the appendices of binding agreements, ensuring that all suppliers acknowledge and adhere to the company's policies and business practices.

Path to Sustainable Partnership Standards

Sappe is committed to quality and environmental responsibility, emphasizing supplier selection at every stage of the process. The company believes that strong partnerships not only drive organizational growth but also create positive social and environmental impacts.

To achieve its sustainability goals, Sappe integrates **ESG (Environmental, Social, and Governance)** principles into its supply chain management. This includes comprehensive supplier evaluations based on capability, compliance, and sustainability criteria.

For Sappe, choosing sustainable partners is not just an option - it is a commitment to building long-term stability and a better future together.

Supplier Selection

Sappe is committed to ethical and sustainable supply chain management by integrating ESG principles into every stage of supplier selection and evaluation. The company has established strict assessment criteria to ensure that all partners align with ESG standards, such as ISO 14001 certification for environmental management.

Sappe will only engage with suppliers who meet the fundamental ESG requirements within a specified timeframe. The supplier registration and qualification process considers both business capabilities and ESG compliance, ensuring that all partners uphold sustainability, transparency, and ethical business practices.

Supplier Evaluation Criteria and Methodology

New Supplier Selection

Sappe prioritizes the selection of new suppliers who adhere to quality standards and operate in an environmentally friendly manner. The company evaluates their potential for sustainability and compliance with ESG principles through a selection process in which suppliers or service providers must complete a form demonstrating their capabilities and adherence to ESG principles. Once approved, they will be registered in the supplier database and evaluated monthly to ensure compliance with the company's standards. The evaluation criteria cover product quality, service/delivery, quality systems and process control, fair pricing, and credit terms

Current Supplier Evaluation

To ensure that selected suppliers continue to meet the company's quality and service standards, Sappe has an ongoing supplier evaluation process. Every delivery of goods or services is assessed, with a comprehensive evaluation summary conducted twice a year.

Suppliers receive feedback on their performance, allowing them to make necessary improvements and maintain compliance with Sappe's standards. To remain in the supplier registry, suppliers must meet the required evaluation criteria, which include product quality, service/delivery performance, and fair pricing.

Credit Policy and Credit Term

The company places great importance on liquidity and cash flow management. It has established a policy to set credit terms ranging from 7 to 90 days, considering various factors such as the duration of business relationships, product type, inventory turnover, and product quality standards. The credit term is determined based on fairness between the company and its trading partners.

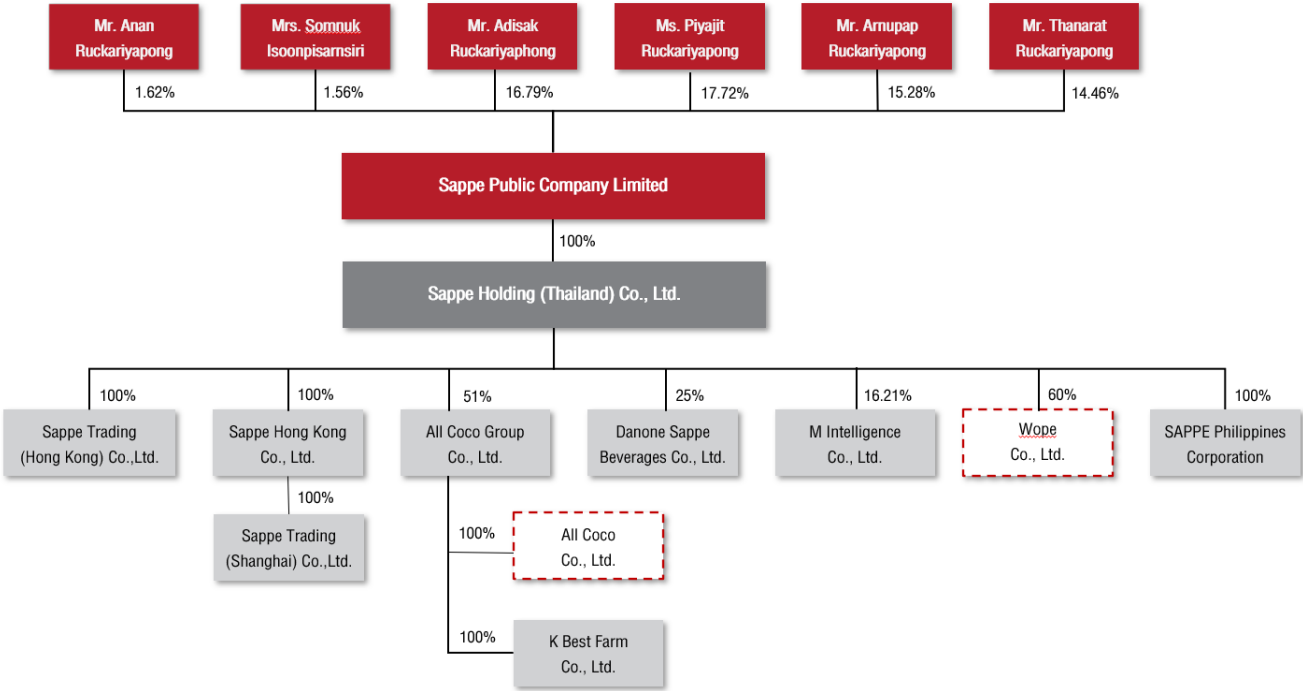
In 2024, the average actual credit term was 30 days. However, for international customers, the company requires 100% advance payment before product delivery. Additionally, Letter of Credit (L/C) is used as a safeguard against payment default risks and to mitigate exposure to foreign exchange fluctuations.

(4) Assets Used in Business Operations

As detailed in Attachment 4: Assets Used in Business Operations.

1.3 Shareholding Structure of the Group

1.3.1 Shareholding Structure of the Group as of December 31, 2024



Remark : refers to a company in the process of dissolution and liquidation in accordance with the resolution of the Board of Directors

The company has established a policy for controlling and overseeing the corporate governance of its subsidiaries and affiliated companies in which it has invested. This ensures that the management and operations of subsidiaries and affiliates are supervised as if they were part of the company itself. Additionally, the company has implemented measures to monitor the management of its affiliates to safeguard the company's investment interests.

Information of Direct Subsidiary, Indirect Subsidiaries and Associated Companies

As of December 31, 2024, the Company has 1 direct subsidiary, 7 indirect subsidiaries, 2 indirect associates, and 1 indirect joint venture, as follows:

Direct Subsidiaries

- 1) **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:	427,000,000 Baht
Paid-up Capital:	427,000,000 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.

- 7) **SAPPE Philippines Corporation:** The company is registered in the Philippines to run the business to distribute functional drinks

Office: 35F Penthouse Units 1, 2 and 4 Eco, Towers Building 32nd Street, Corner 9th Avenue, Bonifacio Global City, Philippines
Registered Capital: 22,000,000 million Philippine pesos
Paid-up capital : 10,958,100 million Pgilippine pasos, or 49.8% of registered capital
Price per share: 1,100 Philippine pesos
Type of share: Common share
% Shareholding: 100% shares held by Sappe Holding (Thailand) 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, Bangkok

Registered Capital: 300,000,000 Baht

Paid-up Capital: 300,000,000 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.

- 2) **M Intelligence Company Limited:** The company is registered in Thailand to provide complete consulting service about digital transformation, including Customer Relationship Management (CRM), data analysis, and digital technology to help improve marketing, sale and one-stop service.

Office: Richmond Building, No. 75/42, Floor 14 Soi Sukhumvit 26 Klong Tan
Klong Toey Bangkok

Registered Capital: 7,196,670 baht

Paid-up Capital: 4,946,670 baht (68.74% of registered capital)

Price per share: 10 baht

Type of share: Common share

% Shareholding: 16.21% shares held by Sappe Holding (Thailand) Co., Ltd.

Indirect Joint Venture

- 1) **Wope Company Limited:** The company is registered in Thailand, operating business in developing, manufacturing, planning and marketing for all kinds of consumer products.

Office: 71 S.P. Arcade Building, Ramkhamhaeng Road, Huamark, Bangkok, Bangkok

Registered Capital: 50,000,000 baht

Paid-up Capital: 50,000,000 baht (100% of registered capital)

Price per share: 100 baht

Type of share: Common share

% Shareholding: 60% shares held by Sappe Holding (Thailand) Co., Ltd.

1.3.2 Persons who may have conflict of interest by holding shares in subsidiaries or associates more than 10% of total number of shares with voting rights in that company.

-None-

1.3.3 Relationship with the Major Shareholder's Business Sectors

The Ruckariyapongs is the major shareholder of the Company with a 73.91% 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 Attachment 2, Details of the directors of subsidiaries.

1.3.4 Shareholders

(a) **List of major shareholders** listed in the share register of shareholders as of 30 December 2024 are summarized as follows:

No.	Name	No. of shares	%
1.	Ms. Piyajit Ruckariyapong	54,640,359	17.72
2.	Mr. Adisak Ruckariyaphong	51,753,290	16.79
3.	Mr. Arnupap Ruckariyapong	47,102,772	15.28
4.	Mr. Thanarat Ruckariyapong	44,571,555	14.46
5.	UBS AG SINGAPORE BRANCH by Mr. Arnupap Ruckariyapong, 10 million shares (or 3.24%)	10,220,000	3.32
6.	BNP PARIBAS SINGAPORE BRANCH by Mr. Thanarat Ruckariyapong	10,000,000	3.24
7.	THAI NVDR Co., Ltd.	6,410,645	2.08
8.	Mr. Anan Ruckariyapong	5,000,197	1.62
9.	Mrs. Somnuk Isoonpisansiri	4,805,632	1.56
10.	DBS BANK LTD. FOR CLIENT AC SG0900121752	4,394,500	1.43
SCU		238,898,950	77.50

(b) 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, 2024, there were 4 major shareholders holding 4 positions out of 9 company directors, namely Mr. Adisak Ruckariyaphong, Ms. Piyajit Ruckariyapong, Mr. Anan Ruckariyapong and Mr. Arnupap Ruckariyapong.

1.4 Number of Registered Capital and Paid-up Capital

As of December 31, 2024, the company's registered capital is 308,289,080 baht and paid-up capital 308,289,080 baht. The common shares are 308,289,080 shares with a par value of Baht 1 per share.

1.5 Issuance of other securities

-None-

1.6 Dividend Payment Policy. The company and its subsidiaries have established a consistent dividend payment policy as follows:

The company aims to distribute dividends to shareholders at a rate of no less than 40% of net profit, after deducting corporate income tax and all required legal reserves, based on the separate financial statements. However, each dividend payment may be subject to adjustments, considering various factors to ensure maximum benefit to shareholders. These factors include operating performance, financial position, liquidity, cash flow, working capital requirements, investment plans, contractual obligations, legal restrictions, and any other relevant considerations deemed necessary by the Board of Directors. Additionally, dividend payments should not materially affect the company's normal operations.

The Board of Directors' resolution approving a dividend payment will be proposed for shareholder approval at the General Meeting, except for interim dividends, which the Board has the authority to approve if the company has sufficient profits. In such cases, the dividend payment will be reported to shareholders at the next General Meeting.

Report on the Shareholding of Directors from 1 January 2024 – 31 December 2024 as follows:

No.	Name	Position	% Of Shareholding			Remark
			1 January 2024	Increase (Decrease)	31 December 2024	
1.	Mr. Natee Onin	Chairman	0.00	0.00	0.00	Mrs. Yata Onin (Spouse) holds 0.01% of the company's shares, equivalent to 43,757 shares.
2.	Mr. Adisak Ruckariphong	Vice Chairman and Chairman of Executive Committee	16.78	0.01	16.79	
3.	Mr. Anan Ruckariyapong	Director and President	1.61	0.01	1.62	
4.	Ms. Piyajit Ruckariyapong	Director and Chief Executive Officer	17.71	0.01	17.72	
5.	Mr. Arnupap Ruckariyapong	Director and Chief Technology and Project Officer	15.27	0.01	15.28	
6.	Mr. Thana Thienachariya	Independent Director	0.00	0.00	0.00	
7.	Mr. Surath Pralongsilp	Independent Director and Chairman of Audit Committee	0.00	0.00	0.00	
8.	Mrs. Niratchara Siriamphunkul	Independent Director and Audit Committee	0.01	0.00	0.01	
9.	Mr. Chanin Archjananun	Independent Director and Audit Committee	0.00	0.00	0.00	

2. Risk Management

2.1 Policy and Risk Management Plan

The company's risk management policy aims to develop a comprehensive risk management framework that covers all business activities. The company adopts the **COSO** risk management framework, establishing key principles related to risk management structure, roles and responsibilities, risk management framework, and supporting tools. The policy also defines processes for risk identification, assessment, management, and reporting to ensure that organizational risks are managed effectively and remain at an acceptable level.

The Board of Directors is responsible for overseeing and managing the company's enterprise risk, including ESG risks (Environmental, Social, Economic, and Corporate Governance), while considering the company's business objectives and sustainability. The Board is tasked with approving risk management policies and frameworks proposed by the risk management working group, ensuring alignment with the company's objectives. Additionally, the Board approves the acceptable risk levels, monitors and oversees overall risk management, reviews the company's risk map, and manages risks to minimize their impact on operations. It also communicates with stakeholders in crisis situations that may affect the company's reputation and ensures the company has an appropriate and effective risk management and internal control system.

2.2 Risk Factors Affecting the Company's Business Operations

2.2.1 Emerging Risk

1) Climate Change (Environmental Dimension)

The intensifying effects of climate change, such as severe droughts, water shortages, wildfires, rising sea levels, floods, polar ice melting, and extreme storms, pose significant challenges. A key contributing factor to these environmental changes is carbon dioxide emissions from industrial sectors. The company recognizes the importance of these impacts, which may affect its business operations as well as the global economy. Additionally, it is anticipated that governments and regulatory bodies will enforce stricter environmental agreements and legislation.

In response, the company has invested in solar energy solutions, including rooftop solar panels (Solar Rooftop) and floating solar panels (Solar Floating) on the water surface of the treatment pond behind the factory. These initiatives aim to increase the use of clean energy, reduce reliance on electricity generated from coal, and help mitigate environmental impacts.

2.2.2 Strategic Risks

1) Competition and Business Environment (Economic Dimension)

The beverage industry is currently experiencing intense competition, both from existing players and new entrants. Factors such as the availability of substitute products, continuous product launches, and increasing marketing and advertising budgets contribute to this highly competitive landscape. Additionally, regulatory changes across different countries require businesses to adapt continuously to maintain their competitiveness.

To manage these risks, the company focuses on product innovation and differentiation by developing consumer-centric products tailored to various target groups. This includes introducing health-focused beverages, unique flavors, and lifestyle-specific products. The company also engages in collaborations with value-driven brands to expand its customer base.

The company continuously expands its product portfolio beyond beverages to include health drink powders, healthy snacks, and dietary supplements. Additionally, modern and attractive packaging designs are introduced to enhance consumer appeal and create excitement in both retail stores and among customers. Promotional activities and targeted advertising are strategically implemented to engage key customer segments and encourage repeat purchases.

Sustainability is also a key focus, with packaging designed to align with environmentally friendly material regulations, helping to reduce waste and minimize environmental impact. The company ensures its products comply with regulatory requirements, such as sugar tax regulations, by investing in continuous research and development to maintain great taste while meeting legal standards in both domestic and international markets.

On the sales channel strategy, the company is expanding consumer access through both online and offline platforms. This includes e-commerce development, digital platform engagement, and strengthening existing sales channels to enhance quality-driven growth. Data-driven analysis and annual business planning with partners are also leveraged to increase sales and reduce risks.

2) Governance and Management of Subsidiaries, Both Domestic and International (Governance Dimension)

The company has invested in four indirect subsidiaries located overseas: (1) Sappe Trading (Hong Kong) Company Limited, registered in the Hong Kong Special Administrative Region, People's Republic of China, engaged in import-export and product distribution. (2) Sappe Hong Kong Company Limited, registered in the Hong Kong Special Administrative Region, People's Republic of China, responsible for management operations. (3) Sappe Trading (Shanghai) Company Limited, registered in the People's Republic of China, engaged in product distribution. (4) Sappe Philippines Corporation, registered in the Philippines, engaged in health beverage distribution. All four subsidiaries are wholly owned (100%) by Sappe Holding (Thailand) Co., Ltd., a fully owned subsidiary of the company.

The business operations of these international subsidiaries may be affected by various risk factors, both internal, arising from the subsidiaries' own operations, and external, such as economic conditions, consumer behavior, purchasing power, political stability, legal and tax regulations, and foreign exchange rates in each country. Significant disruptions in any of these areas could impact the company's overall performance.

To mitigate these risks, the company has established a clear investment policy for subsidiaries and joint ventures. Investments in foreign subsidiaries are carefully assessed based on growth potential, market size, and investment risks. Additionally, the company ensures regular monitoring and reporting of subsidiary performance to maintain operational oversight and strategic alignment.

2.2.3 Operational Risks

1) New Product Development (Environmental, Social, and Governance Dimension)

The launch of new products requires a high level of investment, particularly in marketing, advertising, and promotional activities to build consumer awareness and interest, ultimately leading to sustainable sales. However, the company faces risks if a new product does not receive a positive market response, especially in highly competitive markets where numerous competitor products are continuously introduced. Additionally, consumer preferences and demands change rapidly, adding further challenges. To mitigate these risks, the company places great emphasis on thorough preparation in the product development process to reduce the likelihood of failure, which include

Effective new product development, the company has established dedicated Product Innovation, R&D, and New Segment Innovation teams that operate independently from other departments. These teams are responsible for analyzing business opportunities, designing, testing, and systematically developing new products, utilizing the company's in-house laboratory. Additionally, a market testing process is implemented to assess product readiness before launch.

In developing new products, the company prioritizes unique selling points, focusing on health benefits combined with distinctive flavors that align with diverse lifestyles to encourage repeat purchases and strengthen brand engagement. Regular market research and consumer trend analysis are conducted, incorporating a consumer data-driven approach that starts with collecting customer data from the company's key brands. This helps enhance existing products to meet evolving consumer needs.

A comprehensive communication and marketing strategy when introducing new products to the market. This includes both online and offline publicity, marketing activities to encourage product trials, targeted customer engagement, and continuous promotional programs across both digital and traditional channels to maximize repeat purchases.

2) Cybersecurity Threats (Social and Corporate Governance Dimension)

Cybersecurity risks are a critical concern that can significantly impact the company's operations, particularly key systems such as network infrastructure, financial and accounting systems, internal management, human resources, and the storage of personal data. A security breach, especially unauthorized access to sensitive information, could disrupt business operations and damage the company's reputation.

To address these risks, the company has strategically invested in upgrading and securing its IT infrastructure to support emerging technologies and prevent cybersecurity threats. This includes enhancements to network systems, servers, and related infrastructure to prevent cyberattacks and minimize the risk of network failures, ensuring uninterrupted system functionality.

The company also promotes cybersecurity awareness among employees through regular training sessions and internal engagement activities to ensure proper and secure use of IT systems. Regular cyber risk assessments are conducted on internal systems, with preventive measures implemented by both internal and external specialists. Strict security controls have been established, including firewall protection, access control measures, and efficient

data backup systems to support business continuity in case of emergencies. Additionally, the company has developed a Disaster Recovery Plan (DRP) to ensure operational resilience, allowing users to continue working through Backup Sites in case of major disruptions. A comprehensive incident response plan is also in place to effectively manage and mitigate the impact of cyber threats, ensuring minimal disruption to business operations.

3) Global Economic Conditions (Economic Dimension)

In the past year, international business operations have been affected by various external factors, including political instability in Myanmar, the ongoing Russia-Ukraine and Israel-Palestine conflicts, and global economic growth projections remaining at a low level. These factors may impact global trade markets and shifts in international trade policies, potentially reducing consumer purchasing power and affecting the company's sales and financial performance. Additionally, interest rates, inflation, and financial control measures in different countries could have long-term effects on the company's operations.

Despite these challenges, the company's core products, both in domestic and international markets, primarily consist of beverages, which are classified as impulsive goods—products that consumers can purchase without prior planning. Moreover, these products have a fast-moving nature and relatively low retail prices, making them less susceptible to economic fluctuations in each country.

The company operates with a cautious approach, continuously enhancing internal processes to improve efficiency and reduce costs. Initiatives such as the Solar Rooftop and Solar Floating projects help reduce electricity expenses at the factory, while Machine Learning technology is implemented for quality control. Additional projects include optimizing the integration of nata de coco into production, reducing maintenance costs and cleaning time for production lines, automating processes from bottling to packaging, and enhancing production and human resource planning to maximize productivity. These efforts aim to ensure sustainable and stable business growth, enabling the company to maintain consistent financial performance and profitability.

2.2.4 Financial Risks

1) Foreign Exchange Rate Volatility (Economic Dimension)

The company generates revenue from exporting products to international markets. In 2024, export revenue accounted for 79.8% of the total sales revenue. The majority of these exports are transacted in U.S. dollars, while almost all raw materials are sourced domestically. This creates an exchange rate risk for the company. If the exchange rate fluctuates, it may impact the pricing and sales volume of the company's products. Specifically, if the Thai baht appreciates, the revenue from exports, when converted into Thai baht, will decrease, which could negatively affect the company's income and profitability.

However, the company is aware of this risk and has implemented appropriate policies to mitigate exchange rate fluctuations. These measures include entering into forward exchange contracts to stabilize the exchange rate and setting international market prices that take exchange rate risks into account to a certain extent. Additionally, the company closely monitors financial and economic news to make timely decisions. The company's policy allows the management and finance department to enter into forward exchange contracts for up to 75% of the estimated foreign currency sales over the next six months.

2) Sources and Volatility of Raw Material Prices (Environmental, Social, and Economic Dimensions)

In 2024, several factors have contributed to the rising costs of raw materials and packaging, which are key components in the company's production process. These factors include climate variability, the depreciation of the

Thai baht, the ongoing war between Ukraine and Russia, and the Israel-Palestine conflict. Such circumstances may lead to increased production costs for the company.

However, in 2024, the company does not rely on any single manufacturer or supplier for more than 30% of its total raw material purchases. The highest purchase volume from a single supplier accounts for 18.5% of the company's total procurement value.

PET Resin. Most of the company's products are packaged in heat-resistant PET plastic bottles (Hot Fill), which the company can manufacture in its own production facility. The cost of bottle production is a significant component of the company's overall production costs. The price of PET plastic resin used in bottle manufacturing fluctuates based on global market trading prices and/or changes in crude oil prices. Therefore, any increase or decrease in PET resin prices directly impacts the company's bottle packaging production costs, as the majority of the bottle production cost comes from PET resin expenses.

Sugar is derived from sugarcane, an agricultural crop whose yield depends on weather conditions and environmental factors. Climate change, which has intensified in recent years, along with natural disasters, can affect sugar production, potentially leading to shortages at certain times or price increases due to imbalances in market supply and demand. However, the company procures granulated sugar or pure syrup from domestic suppliers. Currently, domestic sugar prices are regulated by the Office of the Cane and Sugar Board (OCSB) and do not fluctuate frequently. In the past, the company has received assurances from suppliers that the required quantities will be met to align with its annual sales targets. Additionally, the company has already secured supply contracts with key suppliers since the end of 2023, ensuring sufficient sugar availability for 2024 and 2025. As a result, no significant impact from sugar shortages is expected.

Nata de coco (Coconut Jelly) is made from coconut water, an agricultural product whose yield depends on weather conditions and environmental factors. The increasing severity of climate change and natural disasters can impact coconut jelly production. Additionally, rising costs for farmers—due to higher fertilizer prices, transportation expenses, and other raw material costs—have led to a continuous increase in production costs since 2024. Moreover, shifting consumer behavior toward healthier lifestyles has led to a decline in the popularity of coconut milk-based products, affecting the availability of coconut water, a key raw material for the company. Despite this, the company has not been significantly affected, as it has pre-ordered supplies to lock in both quantity and price with key partners. Additionally, the company planned ahead by securing imports of coconut gel from overseas suppliers as early as the end of 2023.

The company continues to prioritize domestic manufacturers as its primary suppliers. In addition to managing procurement risks, the company ranks its top 20 suppliers based on purchase volume to monitor raw material prices monthly. It also secures both quantity and price in advance for essential raw materials. For other suppliers, the company enters into short-term contracts (quarterly or six-month agreements, depending on suitability), ensuring that raw material reserves are maintained at an optimal level without excessive stockpiling. For raw materials that require large quantities, the company collaborates with suppliers annually to determine demand and pre-orders a portion of the materials at agreed prices.

Additionally, for each critical raw material, the company compares prices, quality, and other conditions from at least two to three suppliers to prevent price manipulation. The company also engages in mutual information-sharing with suppliers to align raw material procurement with production plans, prevent shortages, and ensure optimal inventory levels. This approach helps maintain the best production costs without excessive stockpiling, mitigating price volatility and ensuring a stable supply chain. To reinforce its risk management strategy, the company includes these risk factors as a regular agenda item in its quarterly risk management committee meetings. This

ensures that risk management strategies align with the company's overall objectives and that potential supply chain risks are effectively controlled. As a result, the company maintains a sufficient supply of raw materials to sustain production while keeping costs at a reasonable level for business operations.

2.2.5 Regulatory Risks

1) Regulatory Compliance in Business Operations (Corporate Governance Dimension)

The company places great importance on conducting its operations in full compliance with applicable laws and regulations. It adheres to key legislation, including the Food Act B.E. 2522 (1979), the Consumer Protection Act B.E. 2522 (1979), the Factory Act B.E. 2535 (1992), and the National Environmental Quality Promotion and Conservation Act B.E. 2535 (1992), as well as regulations established by various national and international standard-setting organizations and internal corporate policies. Non-compliance, whether due to a lack of legal knowledge among employees, misunderstandings, or operational errors, can lead to significant consequences. These may include reputational damage, an inability to bring products to market, revenue losses, loss of customers and market share, and potential legal costs, including fines or litigation expenses arising from regulatory violations.

To manage this risk, the company has established the Corporate Affairs unit and the Corporate Compliance task force, which are responsible for reviewing operational guidelines across all departments. These teams work to ensure that all business activities align with applicable laws and regulations at both domestic and international levels. Additionally, the company organizes regular training programs to educate employees on relevant legal and regulatory matters, followed by assessments to verify their understanding. To further strengthen compliance, the company enforces clear disciplinary measures for regulatory violations and has developed a comprehensive legal and regulatory database as an essential internal resource.

With increasing emphasis on environmental conservation and stricter packaging regulations, the Food and Drug Administration (FDA) of the Ministry of Public Health has issued Notification No. 435 (B.E. 2564 / 2021), which establishes quality and safety standards for plastic packaging. This regulation aims to promote the sustainable use of plastics in accordance with the Circular Economy model while ensuring consumer safety in food packaging. In response to this regulation, the company has taken proactive steps to ensure compliance. These efforts include transitioning to recycled plastic packaging and implementing an internal waste separation program to support proper packaging waste management and facilitate the recycling process. These initiatives align with the company's commitment to sustainability, regulatory compliance, and environmental responsibility.

2.2.6 Other Risks

1) Lack of Company-Owned Land for Factory Operations

The company does not own the land on which its production facilities and offices are located. Currently, its manufacturing operations take place at Khlong 13 Factory, situated on Rural Road Phat.3012 (West Side of Khlong 13) in Lam Luk Ka District, Pathum Thani Province, covering an area of 97 rai 3 ngan 49 square wah. Additionally, the company has an office at Bangchan Industrial Estate on Serithai Road, Khan Na Yao District, Bangkok, occupying 2 rai, 1 ngan, and 88.2 square wah. Both the Khlong 13 Factory and the Bangchan Office are located on land owned by the company's major shareholders. The company leases these properties—either as vacant land or land with buildings—from its major shareholders at a market rate, as determined by an independent property appraiser.

The Bangchan Office. Originally the company's first manufacturing site. However, after relocating all production to the Khlong 13 Factory, the company repurposed the former factory into a research and development (R&D) center. The land, factory buildings, and structures at this site are owned by one of the company's shareholders. The company has entered into a lease agreement for these assets, with an initial lease term of three years from October 1, 2013, to September 30, 2016, renewable in three-year increments. The company has already renewed the lease three times, with the current term expiring on September 30, 2025. Over the years, the company has invested in additional structures on the leased land, including the construction of a canteen building and covered open-air spaces to support its operations.

Khlong 13 Factory. The company's current production base is located on land jointly owned by its major shareholders. While the shareholders own the land, the company has invested in the construction of factory buildings and related infrastructure on the site. Construction began in 2010, and the first production line was completed and commenced operations in April 2012. The company has entered into a 20-year land lease agreement for this site, which started on October 1, 2013, and is set to expire on September 30, 2033. Under the terms of the lease, after three years from the contract's start date, the company has the right to purchase the land at a price determined by the average valuation of two independent appraisers approved by the Securities and Exchange Commission (SEC). At present, the company is still in the process of considering this option.

The company has identified market opportunities and prioritizes investment in production expansion to drive future growth rather than purchasing factory land outright. As a result, the company opted to enter into a long-term lease agreement instead of making an immediate land purchase. Due to space limitations at the Bangchan factory, which could no longer be expanded, the company consolidated its manufacturing operations by relocating production from Bangchan to the Khlong 13 factory, which was completed in 2015. The Khlong 13 facility is a newer and significantly larger factory capable of accommodating future production capacity expansions while also integrating operations from the previous Bangchan site. This consolidation has resulted in greater operational efficiency, particularly in production, warehousing, and logistics, ultimately leading to long-term cost savings for the company. For the land lease at the Khlong 13 factory, the company has the right to purchase the land from its major shareholders in the future. This decision is contingent on sufficient cash flow availability after business expansion efforts have been adequately funded. The company previously presented this land acquisition plan to the Board of Directors in Meeting No. 11/2556 on November 29, 2013. Any potential purchase would need to comply with related-party transaction regulations and receive approval from the Audit Committee, Board of Directors, and/or Shareholders' Meeting as required. At present, the company's remaining cash flow is allocated for business expansion to support future growth, and the decision to exercise the purchase option remains under consideration.

While the company operates under the lease agreement, there is a risk that a breach of contract could result in the termination of the lease. If the lease agreement were to end prematurely, the buildings, factory, and other structures that the company has invested in on the leased land would revert to the lessor, with the company receiving no compensation. Additionally, the company would be required to recognize an impairment loss on its investments in leasehold improvements.

Under the lease agreement, the company is obligated to pay a monthly rent of 728,891 baht and faces an annual rental increase of 2.0-3.0% starting from October 2014. In 2024, the company's monthly rent amounts to 709,472 baht from January to September 2024 and 728,891 baht from October to December 2024. However, the company has sufficient cash flow to meet its rental obligations. Additionally, the company must strictly adhere to other lease conditions, such as maintenance and upkeep of factory buildings and structures, as well as the payment of property-related taxes. The company is confident in its ability to fully comply with all lease conditions and does not foresee any circumstances that would lead to an early termination of the lease. Furthermore, since the lessor is a group of the company's major shareholders, who actively participate in the company's growth and development, there is strong assurance that this lease agreement will not negatively impact the company's manufacturing operations or future business continuity.

2) Investment Risk Due to Major Shareholders' Control Over Management Policies (Corporate Governance Dimension)

Currently, the Ruckariyapong family holds a majority stake of 73.91% of the company's total outstanding shares. This significant shareholding allows them to exercise control over nearly all shareholder meeting resolutions, including the appointment of directors and decisions requiring a majority vote. Additionally, for matters that legally require a three-fourths (75%) majority vote, the Rakariyapong family's control enables them to influence such resolutions without opposition. As a result, minority shareholders may face limited ability to counterbalance or influence decisions proposed by the majority shareholders.

To ensure transparency and balance of power, the company has implemented a structured corporate governance framework. The management team consists of qualified professionals, and clear operational guidelines and delegation of authority have been established for directors and executives. The company has also appointed four independent directors out of a total of nine board members, three of whom serve on the Audit Committee. These independent directors are responsible for overseeing decision-making processes, reviewing and approving significant transactions, and ensuring accountability before matters are presented at shareholder meetings. Additionally, the company has established measures to regulate transactions involving related parties or conflicts of interest, including restrictions on voting rights for affected individuals in such cases. To further enhance transparency, the company has engaged an external professional internal audit firm that operates independently under the Audit Committee's supervision. This firm is responsible for monitoring and maintaining internal control systems in accordance with established corporate policies. Through these governance measures, the company aims to ensure transparency, uphold shareholder confidence, and maintain a fair balance of power within its management structure.

3) Natural Disasters (Environmental Dimension)

The increasing severity of climate variability has led to more frequent and intense natural disasters, which unavoidably impact the company's operations. These effects extend to production processes, business continuity, and operating costs. In response, the company has assessed potential risks and implemented preventive and

adaptive measures to mitigate the challenges posed by these environmental changes. The key areas of focus include the following:

Drought & Water shortages. A lack of water in the production process may cause operational disruptions, directly leading to revenue loss for the company. Therefore, the company continuously monitors and assesses drought risks while implementing response plans and business continuity strategies in case of water shortages. Measures include water allocation planning, exploring alternative water sources, researching new water production technologies, improving water efficiency in production, and implementing water recycling (Renewable Water) to maximize resource utilization.

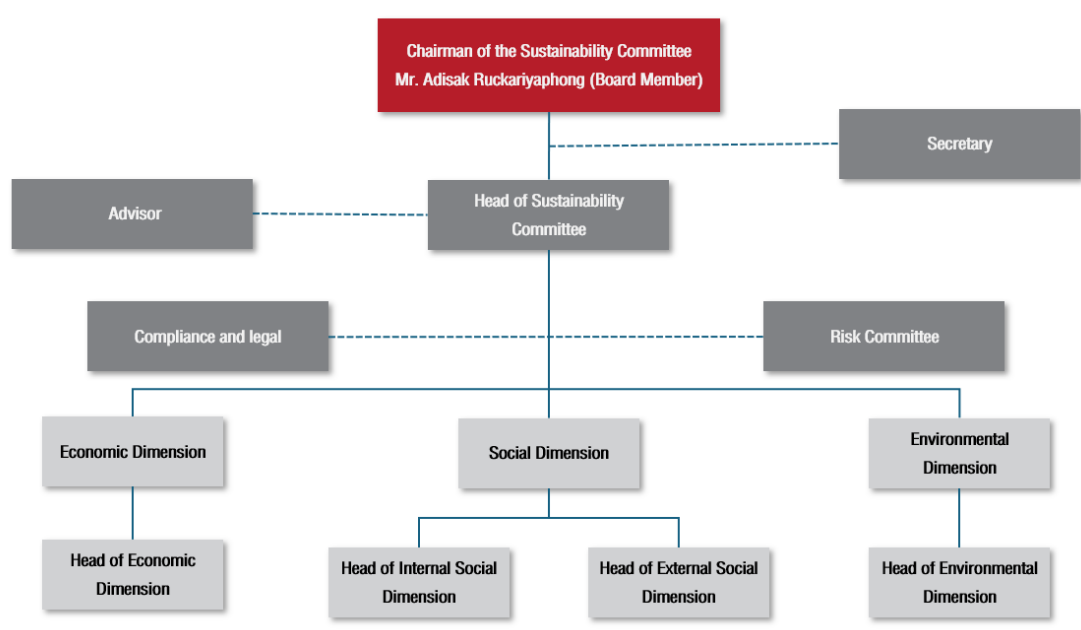
Flooding. Flooding may disrupt operations and cause delays in the delivery of raw materials from suppliers. To mitigate these risks, the company regularly monitors and maintains the rainwater drainage system to ensure it can handle the rainy season effectively. Additionally, the company conducts inspections of operational areas and surrounding locations during heavy rainfall. To further enhance preparedness, flood barriers, such as sandbags and mobile water pumps, are in place to help control water levels in the event of flooding. Moreover, the company has secured all-risk insurance to minimize financial impact from natural disasters with total sum insured at 3591.87 million baht.

3. Driving Business Towards Sustainability

(This report covers the operations of Sappe Public Company Limited, with the reporting period spanning from January 1, 2024, to December 31, 2024)

3.1 Sustainability Management Policy and Goals

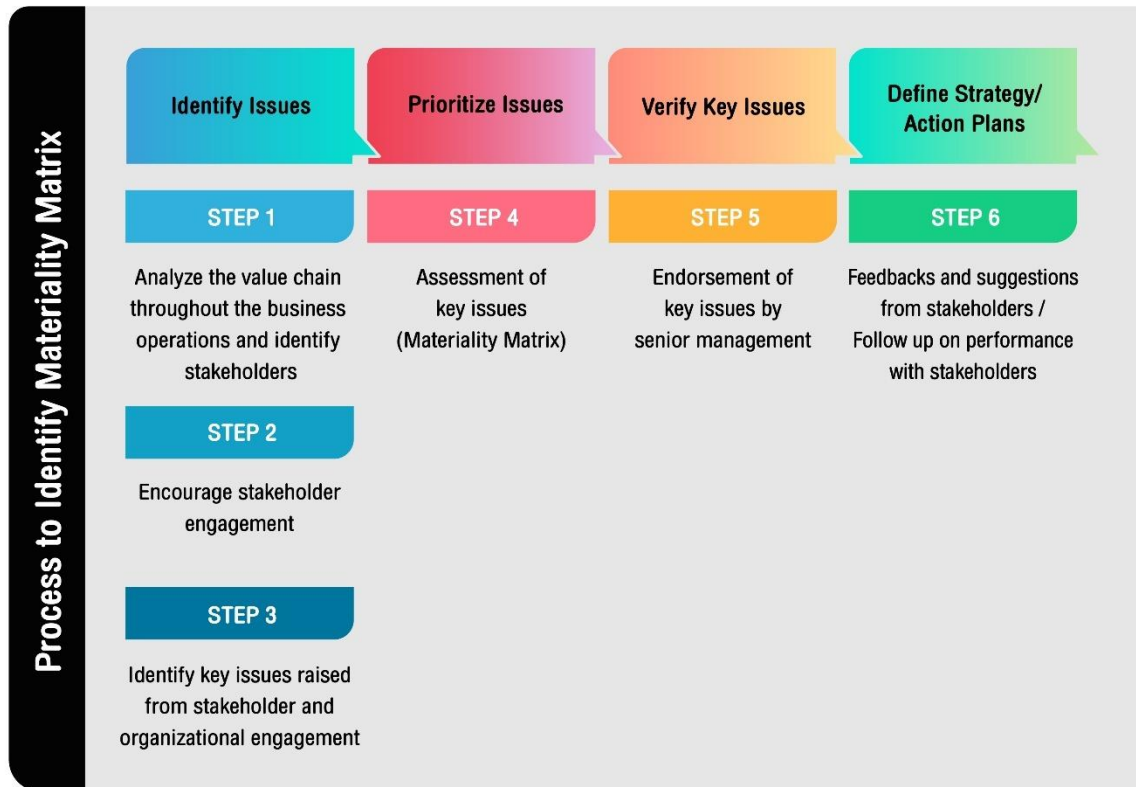
The Board of Directors has resolved to establish Sappe’s Sustainability Task Force, with **Mr. Adisak Ruckariyaphong**, a company director, serving as Chairman. This task force includes representatives from various departments, each responsible for driving sustainability initiatives across all dimensions to achieve the company’s sustainability strategy goals. The task force is structured to ensure efficient implementation of sustainability initiatives, aligning with the company’s strategic direction and fostering sustainable business practices.



In addition, The Board of Directors has appointed **Mr. Adisak Ruckariyaphong**, a company director, to oversee climate change management. His role includes defining strategies and operational directions in alignment with the Environmental, Social, and Governance (ESG) framework. This encompasses initiatives to address climate change, greenhouse gas emission reduction, transition risk management, and physical risk mitigation. Additionally, he is responsible for promoting the adoption of alternative energy sources and exploring new innovations to ensure long-term sustainability in emissions reduction.

The company has conducted an organizational context assessment, analyzed stakeholder impacts and expectations, and prioritized sustainability initiatives. These efforts have been carefully reviewed by senior management and approved by the Board of Directors to ensure alignment with the company’s long-term sustainability goals.

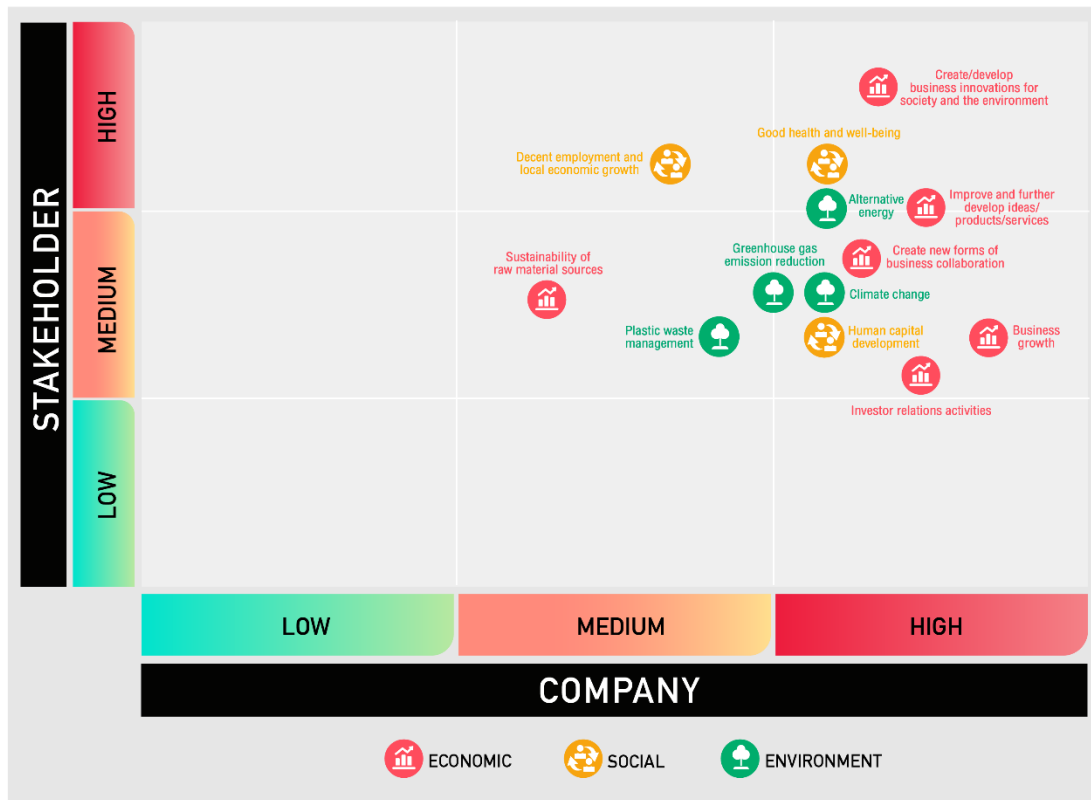
Process to identify Materiality Matrix



The organization identifies key sustainability issues through a six-step process as follows:

1. **Value Chain Analysis and Stakeholder Identification** – Understanding the business operations at every stage, from raw material sourcing to product or service delivery, to identify relevant stakeholders at each step.
2. **Stakeholder Engagement** – Providing opportunities for all stakeholder groups to share opinions and feedback to ensure comprehensive data collection that accurately reflects real needs.
3. **Identifying Key Issues from Stakeholder and Organizational Input** – Synthesizing information gathered from stakeholders and within the organization to determine significant sustainability issues.
4. **Assessing the Importance of Each Issue** – Analyzing and prioritizing issues based on their impact on the organization and stakeholders to define appropriate management strategies.
5. **Seeking Approval from Senior Management** – Presenting the evaluated key issues to senior management for approval and support in implementation.
6. **Continuous Feedback and Performance Monitoring** – Communicating with stakeholders, gathering ongoing feedback, and monitoring performance to refine strategies and improve operational efficiency.










Materiality Matrix



Based on the Materiality Matrix, the company has identified the top three key sustainability priorities to shape Sappe's sustainability policies and operational strategies. These priorities aim to reduce environmental and social impacts while aligning with stakeholder expectations:

1. Creating and Developing Business Innovations for Society and the Environment
2. Promoting Health and Well-being
3. Alternative Energy and Continuous Improvement in Product and Service Development

Key Issues and Their Impact on Business Strategy

Materiality Matrix	Importance to stakeholders	Alignment with business strategy impact	Response to Sustainable Development Goals (SDGs)
Create/develop business innovations for society and the environment	Society expects the company to develop innovative products to promote the betterment of society and the environment	It is an opportunity to develop products and services to meet the needs of society, which represents a growth opportunity for the business	 
Good health and well-being	Society expects better health and improved quality of life	The company is committed to developing products and services to promote better health and well-being for people in society	  
Improve and further develop ideas/products/services	Consumers expect creative, high-quality, and safe products and services	It is the company's dedication to creating innovative, high-quality products that meet the ever-changing demands and ensure consumer safety	 
Alternative energy	Society expects the company to operate in an environmentally friendly manner	The company is committed to enhancing the use of alternative energy and exploring new ways to reduce greenhouse gas emissions	 

Sustainability Policy

"We better people's lives through our innovative spirit."

is the ultimate core of Sappe's business operations. The company prioritizes all stakeholders by adhering to good corporate governance, transparency, and anti-corruption principles. Sappe has established policies and guidelines based on sustainability throughout its entire value chain, with the following missions:

Achieve sustainable economic growth.

- Commit to developing innovative, high-quality products that cater to diverse needs and seamlessly integrate into consumers' lifestyles.
- Enhance consumer understanding of products responsibly, actively listening to feedback and continuously identifying emerging customer needs.
- Deliver high-quality products to reach the widest possible consumer base.
- Foster business growth and expansion with strategic partners, while exploring and implementing new business models for maximum efficiency.

Promote the well-being of our valued people to grow together.

- Empower employees to develop, grow, and enjoy their work in a fair and inclusive environment.
- Foster an innovative spirit within the organization.
- Enhance supplier standards for continuous improvement.

- Support local communities in improving their quality of life.
- Promote the use of Thai agricultural products, leveraging Sappe's expertise and innovation to add value.
- Inspire and share knowledge, cultivating creativity and positive impact in society.

Sustain the environment through innovation and technology.

- Efficiently manage the entire value chain using innovation and advanced technology to minimize environmental impact.
- Maximize the efficiency of natural resource usage while reducing environmental impact.
- Source high-quality, eco-friendly raw materials and packaging to promote sustainability.
- Enhance the use of alternative energy and explore new methods to reduce greenhouse gas emissions.

This Sustainability Policy applies to all departments within the company, including the Board of Directors, Executive Committee, management, and employees at all levels. Additionally, Sappe will support its business partners in aligning their sustainability commitments with this policy.

Sustainability Strategy Across 3 Dimensions

Based on the Materiality Matrix and the top three key sustainability priorities:

1. Creating and Developing Business Innovations for Society and the Environment
2. Promoting Health and Well-being
3. Alternative Energy and Continuous Improvement in Product and Service Development

The company has formulated a clear and tangible sustainability strategy to effectively address these key issues, as follows:

Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
Business Innovation Development for Society and Environment	Building a Strong Thai Global Brand	<ul style="list-style-type: none"> - Expanding the customer base to a broader market, aiming to export to 100 countries worldwide. - Increasing sales channels through both online and offline platforms. - Launching 'Sip Chew Feel Mogu Mogu' campaign as the first-ever global campaign for the Mogu Mogu brand. This campaign debuted in South Korea and France, two key markets strategically chosen for brand positioning and publicity. These countries serve as major trend setters, playing a crucial role in building brand engagement with consumers. The campaign features SEVENTEEN as the Global Brand Ambassador, strengthening the connection between the brand and its target audience through the product. 	<ul style="list-style-type: none"> - Aim to generate THB 10 billion in revenue by 2026 through four key business segments: the international market, domestic market, All Coco, and M&A activities. - A comprehensive analysis and research on global consumer insights are conducted to deeply understand customer needs. These insights are then utilized to develop effective strategies for global marketing campaigns.

Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
	Develop innovative products to enhance consumers' quality of life.	<ul style="list-style-type: none"> - Develop innovative products to enhance consumers' quality of life, launching 12 new products in international markets. - Introduce 26 new innovative products to the domestic market. - Establish collaborations with business partners to expand knowledge and co-develop innovative products. In 2024, one such collaboration includes Frenche Roast coffee. - The success in product innovation has led to the brand receiving awards in 2024. <ul style="list-style-type: none"> • Sial Innovation Paris 2024: Awarded to Pure Coffee (Black Coffee and Black Coffee with Orange) and Maxteef Jelly Bar. • Superior Taste Award 2024 by the International Taste & Quality Institute (iTQi): Awarded to Keaf Sparkling Flavor Drink with Floral Extract. • Zenith Innobev Award 2024 – Best New Brand (UK): Awarded to Mogu Mogu. • Zenith Innobev Award 2024 – Best Marketing/Social Media Finalist (UK): Recognized Mogu Mogu. • Sial Snack Award 2024 (Shanghai): Awarded to Mogu Mogu. • Finalist of Thaifex - Anuga Taste Innovation Award 2024: Recognized Keaf Sparkling Flavor Drink with Floral Extract. 	<ul style="list-style-type: none"> - Launch no fewer than 10 new products per year to enhance consumers' quality of life. - Implement innovative and responsible marketing strategies. - Establish partnerships with business allies to expand knowledge and co-develop innovative products.
	Develop and design sustainable packaging and eco-friendly designs to minimize environmental impact and continuously implement circular economy packaging solutions.	<ul style="list-style-type: none"> - Transitioned 100% of Sappe product labels from PVC to PET. - Introduced tethered caps in certain markets, reducing waste by 210 million caps per year. - Utilized recycled plastic resin (rPET) in bottle production to minimize virgin plastic use and increase circular material adoption. - Reduced bottle cap weight, cutting plastic usage by 63 tons per year (63,000 kilograms). - Collaborated with business partner GC on the 'GC YOUTurn' project to manage post-consumer plastic waste, addressing plastic pollution. This initiative aligns with UN Sustainable Development Goal 17, which promotes global and multi-sectoral partnerships for sustainable development. 	<ul style="list-style-type: none"> - Continuously develop and design sustainable packaging to minimize environmental impact. - Collaborate with business partners to drive tangible sustainability initiatives. - Initiate new projects, such as biodegradable coffee sachets, reducing plastic bottle weight, and enhancing coconut jelly factory standards to elevate sustainability in production processes. - Implement concrete sustainability initiatives through sustainable packaging and eco-design, while continuously adopting circular economy packaging solutions. - Launch waste segregation programs in company cafeterias, including sorting plastic, glass, and used paper for recycling and separating food waste to support community animal feed initiatives.

Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
			<ul style="list-style-type: none"> - Establish a Zero Industrial Waste to Landfill program to eliminate industrial waste disposal through landfills.
Health and Well-being	<ul style="list-style-type: none"> - Drive five core values, which include: <ol style="list-style-type: none"> 1. Experimental Creativity Integrity For 2. Sustainability 3. Do The Impossible 4. Dynamic With Speed and Never Give Up 5. Fun Teamwork - Prioritize human capital development, focusing on hard skills, soft skills, and overall well-being. - Create a platform where everyone can unleash their potential equally. 	<ul style="list-style-type: none"> - Achieved an NPS Score of 63% - Conducted a total of 93 training programs focused on developing hard skills and soft skills. - Organized 42 well-being initiatives to enhance employees' overall wellness. - Developed employees under the "Ultimate Expert Project", measuring work effectiveness across three key dimensions, which include: <ol style="list-style-type: none"> 1. Autonomous Maintenance (AM) enables employees to take proactive care of machinery, ensuring that equipment remains in optimal working condition and meets production quality and performance targets. 2. Key Operators are skilled personnel with in-depth knowledge of machinery. They possess the expertise to troubleshoot and optimize equipment performance while also transferring their knowledge through comprehensive machine operation manuals. 3. Application of Knowledge from the Ultimate Expert Project has significantly strengthened Sappe's workforce. Currently, there are 139 machine experts, an increase of 100 from the previous year. These experts play a crucial role in knowledge-sharing, exchanging technical insights, and collaboratively identifying and analyzing operational issues. Their ability to accurately determine the root cause of breakdowns has contributed to achieving targeted reductions in machine downtime 	<ul style="list-style-type: none"> - Conducted a comprehensive training needs assessment across all departments and employee levels. Development programs are categorized into general knowledge training, such as AI awareness and understanding the Personal Data Protection Act (PDPA), which are provided to all relevant teams. Specialized knowledge training is delivered through external expert-led programs, such as the ESG Leadership Program for SHE Professionals and Carbon Footprint-related courses. - Continuously organized well-being initiatives for employees, including monthly and quarterly activities to support their overall health and work-life balance. - Conducted employee satisfaction surveys and assessed the practical application of training and well-being activities to enhance and refine employee development programs continuously.
	<ul style="list-style-type: none"> - Ensure employee well-being by promoting a healthier lifestyle and improving their overall quality of life 	<ul style="list-style-type: none"> - Conducted basic health check-up programs while introducing new health programs in 2024 as follows: <ol style="list-style-type: none"> 1. Influenza vaccination to prevent seasonal flu. 2. Ultrasound screening of the upper and lower abdomen to detect abnormalities. 3. Cervical and breast cancer screening for early detection and prevention. - The employee engagement survey scored 4.32 out of 5 reflecting a strong connection between employees and the organization. - The executive-level employee turnover rate in 2024 stood at 0.54%, significantly below the target of keeping it under 5%. 	<ul style="list-style-type: none"> - Provide equitable and appropriate employee benefits to support and enhance their quality of life.

Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
		<ul style="list-style-type: none"> - Organized Healing Workshops every three months throughout the year, allowing employees to relieve stress through creative activities such as terrarium gardening, painting, and cake decorating. - Focused on employee well-being across five key dimensions: Physical, Mental, Social, Spiritual, and Intellectual well-being. - Provided small-group mental health therapy sessions, giving employees the opportunity to express stress and receive guidance from professional therapists as an additional stress relief outlet. - Enhanced employee knowledge and skills related to ISO 45001:2018 Occupational Health and Safety Management System (OHSMS) to help reduce workplace hazards and accident risks. - Achieved certification for Thai Labor Standards TSL 8001, demonstrating the company's commitment to social responsibility and labor welfare compliance. 	
	Create a positive social impact through creative and responsible marketing communications	<ul style="list-style-type: none"> - Sappe Beauti, the leader in Thailand's functional beverage market, made a bold move with the rebranding of "Sappe Beauti", unveiling an emotionally touching TVC campaign that promotes beauty equality through the message "Suay Roa Mai Tong Suay Krai (Beauty through our eyes, not other people's)". The brand introduced a new label design under the Equality & Diversity concept, resonating with Gen Z, reinforcing its position as Thailand's No.1 beauty beverage brand that truly understands consumers and values all forms of beauty. - To emphasize its commitment to beauty equality, the brand launched the #EqualRightToBeautifulSkin campaign, introducing Sappe Beauti Powder Sticks, a collagen powder drink that makes beauty accessible to everyone. The campaign highlights that anyone can achieve beautiful skin without the need for expensive products, as the collagen supplement is priced affordably at just 10 THB, making daily skincare as easy as tear, mix, and drink. - Leveraging Big Data and advanced technology, Sappe enhances product development accuracy and swiftly responds to consumer needs by analyzing data from various sources, including retail purchase history, online interactions, and consumer surveys. In addition to innovation, the company remains 	<ul style="list-style-type: none"> - Continuously launch creative and responsible marketing campaigns, aligning with global trends while leveraging deep consumer insights to meet real market demands. - Increase the use of Big Data and technology to enhance product development accuracy and respond to consumer needs more efficiently through in-depth data analysis from various sources.

Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
		committed to sustainability in its development processes. With modern consumers placing high importance on both product quality and environmental impact, Sappe integrates sustainable materials, low-carbon product development, and waste reduction initiatives in its manufacturing processes.	
	Enhance the quality of life for communities and society through sustainable initiatives and responsible engagement.	<ul style="list-style-type: none"> - Established community and social responsibility guidelines, emphasizing the improvement of quality of life for society. This includes sourcing raw materials from Thai farmers, leveraging Sappe's expertise in innovation to add value, promoting local employment, fostering social equality, and inspiring creativity and knowledge-sharing within the community. - Created local employment opportunities, allowing community members to earn a sustainable income while staying close to their families. Currently, 160 local employees, accounting for 28.17% of the total workforce, are employed near the factory, contributing to community job stability and reducing migration. - Launched a community product support initiative, providing 49,176 bottles of beverages worth 1,291,990 THB to local organizations and activities. This initiative strengthens community engagement and pride in high-quality Thai brands. - Continued the "90-Day Fat Burn Challenge", a corporate fitness campaign running for five consecutive years, encouraging employees to exercise via a mobile application. Points earned from participation are converted into funds for social contributions, totaling approximately 350,000 THB in 2023, which was used to build playgrounds for underprivileged schools in 2024. This initiative not only promotes employee health but also enhances social impact, supporting the development of four learning spaces and reaching 1,219 children. - Community Quality of Life Enhancement Initiative: Throughout 2024, the company has implemented various projects aimed at improving the quality of life for local communities, particularly those surrounding the Khlong 13 area in Lam Luk Ka District, Pathum Thani Province. These initiatives have positively impacted 16,269 individuals, 	<ul style="list-style-type: none"> - Promoting a better quality of life in society by driving the procurement of raw materials from Thai agricultural products, enhancing them with Sappe's knowledge and expertise in innovation. Supporting local employment, advocating for social equality, and inspiring creativity by sharing knowledge and ideas with the community

Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
		<p>enhancing their well-being through the following programs:</p> <ul style="list-style-type: none"> ● Cold Water Dispenser Donation Program: Provided cold water dispensers to hospitals and community centers, including Lam Luk Ka Hospital, Nong Suea Hospital, Phuech Udom Subdistrict Health Promoting Hospital, and Yamiul Airiya Mosque. This initiative ensures access to refreshing drinking water for medical personnel, hospital visitors, and community members, benefiting 15,417 individuals ● Nong Som Alley Road Improvement Project: Upgraded the road in Moo 7, Phuech Udom Subdistrict to enhance safety and convenience for the local community. This project has directly benefited 652 residents by improving daily transportation and accessibility. ● Mobile Provincial Service Unit and Community Welfare Program: Participated in the Mobile Provincial Service Unit initiative in Pathum Thani, providing essential aid to the community. As part of this effort, relief packages were distributed to over 200 elderly individuals, persons with disabilities, and underprivileged residents, offering support and improving their well-being. 	
	Uphold good governance and transparency in all business operations	<ul style="list-style-type: none"> - The company adheres to business ethics and has had no violations of ethical standards. It is committed to anti-corruption efforts as a member of the Thai Private Sector Collective Action Against Corruption (CAC). The company's membership was renewed for the first time on September 30, 2023, and remains valid until September 30, 2026, reinforcing its commitment to transparency and social responsibility for sustainable business operations. - Achieved a Corporate Governance Rating (CGR) score of 86, an improvement from the previous year, earning a 'Very Good' (4-star) rating, reflecting strong corporate governance practices. - For the first time, the company has achieved an ESG rating of A, demonstrating its strong commitment to transparent governance and corporate responsibility. This achievement is more than just a score; it is a testament to the company's dedication to building a sustainable future with trust from all stakeholders. Through ethical business practices 	<ul style="list-style-type: none"> - Operates in accordance with business ethics and has established a monitoring and audit process to ensure compliance with ethical standards. The company also reports and discloses audit findings to all stakeholders, reinforcing transparency and accountability in its operations.

Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
		and socially and environmentally conscious development, the company continues to drive meaningful progress.	
		<ul style="list-style-type: none"> - The company's Annual General Meeting (AGM) received a perfect score of 100 in the AGM Checklist assessment conducted by the Thai Investors Association. This recognition reflects the company's transparency, governance excellence, and adherence to strict standards, reinforcing shareholder confidence in its operations. 	
	Uphold human rights, equality, and non-violation of human rights in all business operations.	<ul style="list-style-type: none"> - There have been no human rights violations within the organization. - The company is committed to creating job opportunities for persons with disabilities by continuously supporting their employment. In 2024, the company has employed six individuals with disabilities, accounting for 1.03% of the total workforce 	<ul style="list-style-type: none"> - Comply with the Human Rights Policy and implement a comprehensive monitoring and auditing system to ensure adherence. The company also reports audit findings to all stakeholders, reinforcing transparency and accountability in human rights practices.
	Foster intellectual and personal growth within society by promoting knowledge-sharing, creativity, and lifelong learning opportunities.	<ul style="list-style-type: none"> - Provide educational support to academic institutions and various organizations by sharing knowledge and expertise, fostering creative thinking and innovation through the following initiatives: <ol style="list-style-type: none"> 1. Srinakharinwirot University: Delivered a session on "Workforce Management, Employee Development, and Organizational Culture: How to Drive Sustainable Growth?", sharing insights on effective people management strategies. 2. Supporting and Inspiring Thai Entrepreneurs: Encouraged Thai business owners to build sustainable global brands and invited them to participate in the Prime Minister's Export Award 2024, recognizing excellence in international trade. 3. Go-Green 4D Training Program: Conducted sustainability training under the Green Business Promotion Initiative for Micro, Small, and Medium Enterprises (MSMEs). This program, in collaboration with the Office of SME Promotion (OSMEP), equips businesses with strategies to enhance sustainability across four dimensions. 4. "Ring the Bell for Gender Equality 2024": Participated in the annual flagship event of the Stock Exchange of Thailand (SET) and UN Women, promoting gender equality in business. This initiative aligns with the Sustainable Development Goals (SDGs) and serves as a 	<ul style="list-style-type: none"> - Support equitable intellectual development for employees by providing fair and inclusive learning opportunities. The company shares its knowledge and expertise through community engagement activities and local development initiatives, fostering sustainability within the communities surrounding its manufacturing facilities.

Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
		platform for driving corporate action towards equal opportunities for all genders, celebrating International Women's Day.	
		5. Insight in SET: Delivered a lecture as part of the "Insight in SET: Comprehensive Knowledge for Sustainable Growth in the Capital Market" course, Session 1/2024, providing insights on financial sustainability and market growth.	
		6. Agri Plus Award 2024: Served as a judge for the Agri Plus Award 2024, recognizing innovative agricultural products that contribute to industry advancement.	
		7. Innovative Agricultural Value Creation Project: Participated in a project organized by the Department of International Trade, Ministry of Commerce, aimed at enhancing the value of agricultural innovations for the global market.	
		8. GC Sustainable Living Symposium 2024: GEN S GATHERING: Took part in a panel discussion at this sustainability-focused symposium, highlighting strategies for green innovation and responsible business practices.	
		9. Mini Master of Management Program (MMM) – Batch 80: Collaborated with the School of Public Administration, NIDA, to organize and deliver training sessions for leaders and professionals in management.	
		10. MSME Business School in Collaboration with KMITL: Supported the initiative to equip MSMEs with essential business skills, leveraging expertise from King Mongkut's Institute of Technology Ladkrabang (KMITL).	
		11. GCNT Forum 2024 – "Inclusive Business for Equitable Society": Participated in the annual leadership conference on sustainability, discussing inclusive business models for fostering social equity.	
		12. Alpha Investors Orientation: Delivered a lecture for the Thai Investors Association, equipping investors with insights on market trends, financial literacy, and sustainable investing strategies	

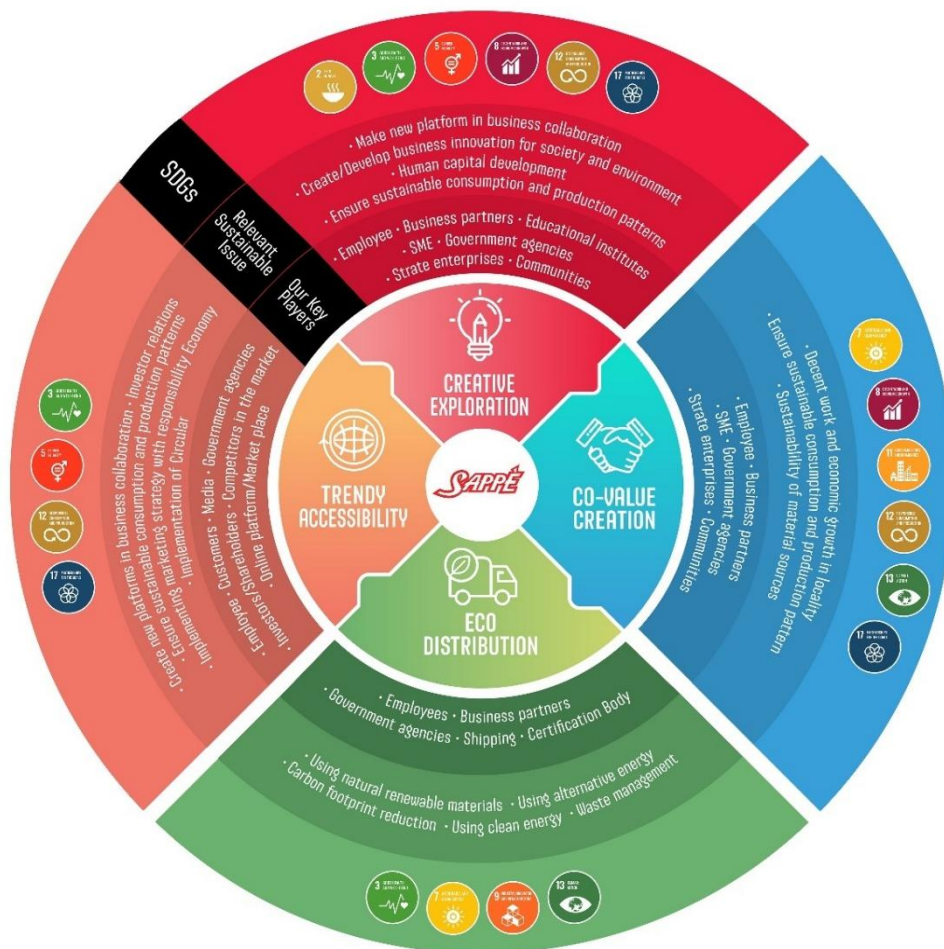
Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
Alternative Energy	Enhance the use of alternative energy and explore innovative solutions to reduce greenhouse gas emissions.	<ul style="list-style-type: none"> - Utilization of Clean Energy: Integrated solar panel innovations by installing rooftop and floating solar panels at manufacturing facilities to generate renewable energy. This initiative aims to reduce reliance on coal-generated electricity and lower carbon dioxide (CO₂) emissions, which contribute to global warming. In 2024, the company successfully reduced electricity consumption from the grid by approximately 2,670,231 kWh. - Biomass Fuel Adoption: Implemented the use of wood pellets as a biomass fuel for steam production, significantly reducing CO₂ emissions. - Modern Warehouse Construction: Developed a state-of-the-art warehouse featuring an Automated Storage & Retrieval System (AS/RS) with a storage capacity of 26,616 pallets. Additionally, a new production line was introduced to align with the company's future expansion plans. - Eco-Friendly Coffee Sachet Packaging: Advanced the development of sustainable coffee sachet packaging using environmentally friendly materials designed for biodegradability, supporting the company's sustainability goals. 	<ul style="list-style-type: none"> - The company aims to begin transitioning to the new raw material in Q4 of 2025 as part of its sustainability efforts. - Aiming to reduce energy consumption by at least 10% per year, the company reported a total electricity usage of 27,827,032 kWh in 2024. Through various energy-saving initiatives, including solar rooftop and floating solar panel installations, as well as internal energy conservation campaigns, the company successfully reduced 2,670,231 kWh, equivalent to 9.60% of total energy consumption. - Committed to sustainable production, the company strives to develop Green Products, transition its manufacturing facilities into a Green Factory, and adopt innovative technologies that minimize environmental pollution. These efforts align with the company's long-term strategy to continuously operate responsibly towards society and the environment.
	Focus on climate change	<ul style="list-style-type: none"> - Assigned internal teams and working groups to collaborate with experienced private sector organizations to collect and analyze the Carbon Footprint data of the manufacturing facilities. This initiative is part of a strategic plan to effectively manage and reduce emissions, with the goal of achieving Carbon Neutrality and ultimately reaching Net Zero Emissions. 	<ul style="list-style-type: none"> - The Board of Directors has assigned Mr. Adisak Rakariyapong, a company director, to oversee climate change initiatives. His role includes formulating strategies and guiding operations in alignment with sustainable development (ESG) principles. His responsibilities cover climate change action plans, greenhouse gas (GHG) emission reduction strategies, transition risk and physical risk management, and enhancing the use of alternative energy. Additionally, he is responsible for exploring new innovations to ensure a sustainable reduction of GHG emissions. - The company has developed a GHG emissions report in compliance with ISO 14064-1 standards, designating 2023 as the baseline year. The collected data serves as a foundation for systematic improvements in emission reduction strategies moving forward.

Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
	Raise awareness and instill a sense of responsibility within the organization and society.	<ul style="list-style-type: none"> - Organized the "Sappe GoGreen" initiative to raise awareness about waste segregation. Employees actively participated in sorting waste for recycling and upcycling, maximizing resource value. This program also fosters employee learning and engagement in waste management. - Emphasized water conservation awareness by promoting efficient water management practices across the organization. This initiative aims to cultivate a responsible water management culture among employees. - Conducted Basic SHE (Safety, Health, and Environment) Training, educating employees on environmental management and waste reduction strategies. The training also covered ways to minimize environmental impact and protect biodiversity. The company ensured 100% participation from employees and workers at all levels. - Environmental Culture Training Program – 3Rs Initiative: The company promotes environmental awareness and fosters a sustainable workplace culture among employees. Through this initiative, employees learn about waste reduction strategies and are encouraged to adopt the 3Rs principles (Reduce, Reuse, Recycle). This knowledge is applied within production processes to maintain a balance between resource management and sustainable business operations. 	<ul style="list-style-type: none"> - Annual Climate Awareness Initiatives: The company organizes engagement activities to raise awareness about global warming among employees and communities, ensuring continuous participation every year. - Basic SHE (Safety, Health, and Environment) Training: Conducted training sessions to educate employees on workplace safety, environmental management, and sustainable practices. - Environmental Culture Promotion – 3Rs Principles: The company fosters an environmental awareness culture by encouraging employees to learn and apply waste reduction strategies. Employees are trained in the 3Rs principles (Reduce, Reuse, Recycle) to implement effective environmental management within production areas. This initiative helps balance resource management and sustainable business operations.
Improvement and Innovation in Thinking, Products, and Services	Actively listen to and respond to the needs of all stakeholders accurately and effectively, ensuring meaningful engagement and impactful solutions	<ul style="list-style-type: none"> - The company collects data through surveys from various sources. The Business Development team gathers information at three stages: before product launch to identify customer insights and needs, during product design to collect feedback and refine the product to meet customer expectations, and after product launch to evaluate product performance and analyze external factors affecting purchasing behavior. This process is conducted more than 50 times per year to enhance product and service development. The Marketing, Sales, Community Engagement, and HR departments also conduct annual surveys to understand stakeholder needs and improve strategic planning. The company communicates its operations and performance, listens to complaints and suggestions from all stakeholders, including employees and local 	<ul style="list-style-type: none"> - Implement new technologies to efficiently collect data and feedback from all stakeholder groups

Strategies	Implementation of strategies	Outcome of strategy implementation	Operational plans
		communities, through various channels to enhance air quality control systems. In 2024, there were no environmental disputes with external agencies or neighboring communities	

3.2 Managing Stakeholder Impact Across the Business Value Chain

Sappe actively manages its impact on stakeholders throughout the entire business value chain, starting from research and development of high-quality, innovative products, to efficient production and inventory management, ensuring maximum consumer accessibility, and upholding responsible marketing and sales practices. The company conducts in-depth stakeholder analysis across the value chain, identifying key processes, relevant sustainability issues, best practices to meet stakeholder expectations, communication channels, and engagement methods. These efforts ensure that Sappe aligns with sustainability commitments while fostering long-term stakeholder relationships, as illustrated in the diagram below.



**We better people's lives through
our innovative spirit.**

Value Chain	Operations	Key Processes	Stakeholders	Relevant Sustainability Issues
Creative Exploration The process of innovation and creation of high-quality products, ensuring product delivery reaches consumers effectively, and conducting marketing and sales communication with the highest level of consumer responsibility.	Innovating and creating high-quality, innovative products that cater to diverse consumer needs while ensuring continuous accessibility. Actively seeking new partners and alternative solutions to develop unique, cutting-edge products. Enhancing product and packaging quality while making them more environmentally friendly.	<ul style="list-style-type: none"> • HR • R&D • Knowledge management / Sharing • SME • Inno studio (In house) • JV / Collaborations 	<ul style="list-style-type: none"> • Employees • Business Partners • Educational Institutions • SMEs • Government Agencies • State Enterprises • Communities 	<ul style="list-style-type: none"> • Establishing new business partnerships and collaborations • Developing business innovations for social and environmental impact (Strategic Innovation) • Ensuring the sustainability of raw material sources (Sustainable Agriculture) • Human capital development • Promoting good health and well-being • Reducing greenhouse gas emissions (Carbon Footprint) • Conducting consumer insight research • Encouraging in-house innovation within the organization • Strengthening customer relationships • Promoting sustainable production and consumption (Responsible Consumption & Production)
Co-Value Creation Efficient production and inventory management.	Efficiently manage production and inventory using advanced technology to reduce costs, optimize natural resource utilization, and minimize environmental impact.	<ul style="list-style-type: none"> • Procurement • Production • Community • Supplier • Warehouse 	<ul style="list-style-type: none"> • Employees • Business Partners • SMEs • Government Agencies • State Enterprises • Communities 	<ul style="list-style-type: none"> • Enhancing and further developing ideas, products, and services (Product Development) • Creating and advancing business innovations for social and environmental impact (Strategic Innovation) • Promoting meaningful employment and local economic growth • Utilizing alternative energy sources (Solar power, wind energy, coal)

Value Chain	Operations	Key Processes	Stakeholders	Relevant Sustainability Issues
				<ul style="list-style-type: none"> Reducing greenhouse gas emissions (Carbon Footprint) Implementing effective waste management Managing water resources efficiently (Clean Water & Sanitation) Supporting sustainable production and consumption (Responsible Consumption & Production) Ensuring the sustainability of raw material sources (Sustainable Agriculture)
Eco- Distributor Deliver products efficiently to ensure maximum consumer reach. 	Efficiently manage distribution in terms of energy and time while optimizing channels to maximize product accessibility for consumers. Ensure high-quality products are consistently available on store shelves and delivered to customers, providing delicious, nutritious options that enhance overall quality	<ul style="list-style-type: none"> Modern trade Traditional trade Out of home e-commerce Brand Activation & Selling 	<ul style="list-style-type: none"> Employees Business Partners Government Agencies Shipping Certification Body 	<ul style="list-style-type: none"> Good Health and Well-being Alternative Energy Sources (Solar power, wind energy, coal) Plastic Waste Management Reducing Greenhouse Gas Emissions (Carbon Footprint) Utilization of Clean Energy (Affordable & Clean Energy) Waste Management
Trendy Accessibility Communicate with customers and society with transparency, sincerity, and honesty, while actively listening to all feedback to drive continuous improvement and better meet consumer needs. 	Communicate with customers and society with transparency, sincerity, and honesty to ensure a clear understanding of the products, allowing consumers and stakeholders to make informed choices that best meet their needs at a fair price. Actively listen to feedback and criticism to drive continuous improvement while exploring new insights to	<ul style="list-style-type: none"> Pricing Strategy Marketing Communication / Campaigns Consumer Survey Consumer Feedback E-Commerce 	<ul style="list-style-type: none"> Employees Customers Media Government Agencies Investors / Shareholders Market Competitors Online Platforms / Marketplaces 	<ul style="list-style-type: none"> Establishing New Business Partnerships & Collaborations Investor Relations Management Business Growth Sustainable Production & Consumption (Responsible Consumption & Production) Good Health & Well-being Responsible Marketing Product Responsibility & Quality Assurance

Value Chain	Operations	Key Processes	Stakeholders	Relevant Sustainability Issues
	develop innovative products that better serve consumers.			• Circular Economy

Stakeholder Engagement

Sappe has conducted an in-depth stakeholder analysis across the business value chain and categorized stakeholders into five key groups: employees, customers, business partners, investors, and communities & society. The company has established effective stakeholder management strategies based on their expectations, ensuring clear and accessible communication channels for each group. This approach aims to maximize mutual benefits and provide targeted, meaningful responses to stakeholder needs.

Stakeholders	Expectations	Practices	Communication Channels
Employees	<ul style="list-style-type: none"> • Benefits • Work-life balance • Career advancement • Workplace safety • Fair compensation • Access to information, company direction, and organizational engagement 	<ul style="list-style-type: none"> • Support appropriate employee benefits • Promote a happy and enjoyable work environment (NPS) • Encourage employee potential development • Foster a safe working environment • Implement a structured annual performance evaluation plan • Ensure clear internal communication 	<ul style="list-style-type: none"> • Town hall • Seminar activities • Workshop • Meeting • Intranet • HR Hotline • Sappe Playground Facebook fan page • Line Official Sappe Players • Phone and Email • Suggestion Box • Feedback Board
Customers	<ul style="list-style-type: none"> • High Quality – Reliable and Trustworthy • Delicious and Enjoyable Taste • New and Unique Experience • Helps Solve Health and Beauty Issues • Great Value for Money • Environmentally Friendly 	<ul style="list-style-type: none"> • Comply with quality manufacturing standards and regulations • Research and develop new innovations to meet consumer needs • Create products and innovations with social and environmental responsibility 	<ul style="list-style-type: none"> • Company Website, Facebook, IG • Phone and Email • Annual Report (56-1 One Report) • Annual Customer Satisfaction Survey
Business Partners	<ul style="list-style-type: none"> • Conduct business with fairness and transparency • Promote sustainable business growth • Respect intellectual property and copyright 	<ul style="list-style-type: none"> • Fair selection of business partners • No disclosure of confidential business information without consent or legal authorization • Consider equality and mutual benefits with business partners 	<ul style="list-style-type: none"> • Company Website, Facebook, IG • Phone and Email: compliance@Sappe.com • Annual Report (56-1 One Report) • Annual Audit • Meetings
Investors	<ul style="list-style-type: none"> • Returns, Sales, and Profit • Transparent and Open Disclosure of Information • Investor Relations Services 	<ul style="list-style-type: none"> • Summarize and disclose operational information to investors every quarter • Disclose company information on the website • Evaluate investor relations services 	<ul style="list-style-type: none"> • Annual Report • Company Website • Phone and Email • Shareholders' Meeting • Investor Meeting Activities (Opportunity Day) • Press Releases
Communities and Society	<ul style="list-style-type: none"> • Waste management from the production process 	<ul style="list-style-type: none"> • Comply with the Zero Discharge initiative 	<ul style="list-style-type: none"> • Community and Social Affairs Officer (Sustainable Development Team)

Stakeholders	Expectations	Practices	Communication Channels
	<ul style="list-style-type: none"> • Participation in community activities • Reducing the impact of business operations on the community • Contributing to sustainable community development • Helping stimulate the local economy • Supporting and assisting in activities or crises 	<ul style="list-style-type: none"> • Support various community projects, including religious, cultural, and environmental activities • Assess community satisfaction with business operations and take corrective actions • Support community projects in collaboration with the public and private sectors to strengthen the community • Support projects that generate income in the community, including local employment opportunities • Support and assist community activities, as well as provide aid during crises 	<ul style="list-style-type: none"> • Company Website, Facebook, IG • Annual Community Satisfaction Survey • Phone and Email • Company Complaint Channel • Monthly Meetings with the Community and Local Authorities • Line Application for Communication Between the Company and the Surrounding Community

3.3 Sustainability Management in the Economic and Corporate Governance Dimensions

Sappe operates under a structured economic sustainability framework, ensuring that all marketing communications are conducted ethically and responsibly. The company adheres to the following key marketing communication guidelines:

- Ensuring accuracy and fairness in all marketing communications, including advertising, public relations, and product exhibitions, while maintaining alignment with industry and environmental standards.
- Avoiding direct comparisons with competitors' products or services.
- Refraining from content that may cause social conflict, including sensitive topics related to national institutions, religion, monarchy, politics, beliefs, international relations, gender perspectives, or anything contrary to moral and cultural values.
- Promoting positive messaging, especially in areas that impact public sentiment and social well-being.
- Regularly reviewing and refining marketing communication strategies to ensure continued alignment with corporate objectives and ethical standards.

In 2024, Sappe demonstrated its commitment to ethical and strategic marketing by appointing SEVENTEEN, a highly influential South Korean boy band with strong brand value across Asia and Europe, as its First Global Brand Ambassador. This marks the first time the company has introduced a global brand ambassador to represent Mogu Mogu, its popular fruit juice with nata de coco, enjoyed by consumers in numerous countries.

Through the 'Sip Chew Feel Mogu Mogu' campaign, all 13 members of SEVENTEEN embody the fun and refreshing character of the brand, reinforcing Sappe's global success. With Mogu Mogu now available in 100 countries, the campaign has effectively expanded the brand's international presence. By utilizing positive and responsible marketing strategies, Sappe has successfully strengthened its connection with existing customers while

attracting new consumer segments worldwide. This initiative has resulted in significant sales growth and has reinforced Sappe's position as a world-class beverage brand, aligning with the company's long-term global expansion goals.

Sappe adheres to a corporate governance policy that emphasizes transparency, accountability, and ethical business conduct both internally and externally. The company upholds high ethical standards through key policies such as the Anti-Corruption Policy, Business Code of Conduct, and Sustainability Policy, ensuring that its operations are conducted responsibly and sustainably while considering social and environmental impacts.

Additionally, Sappe's corporate governance framework promotes strong and transparent relationships with all stakeholders. This approach enhances brand trust and corporate reputation, supports long-term sustainable business growth, and fosters shared value creation with all relevant parties.

3.3.1 Economic and Corporate Governance Goals and Performance

Sappe is committed to achieving sustainable economic growth by enhancing competitiveness and operational efficiency to generate long-term profitability and value for the company. This is achieved through market expansion strategies, innovative product development, effective marketing communication, and strong global brand positioning. Additionally, Sappe continuously adapts to economic changes and evolving customer demands, ensuring that its growth contributes positively to society and the environment wherever possible.

In terms of corporate governance, Sappe upholds good governance principles by emphasizing transparency, accountability, and stakeholder responsibility. The company strictly adheres to anti-corruption policies and a strong code of business ethics, reinforcing its commitment to high-quality operations and stakeholder trust.

Sappe aims to maintain a Corporate Governance (CG) Score of 5 stars, reflecting its dedication to best governance practices. In 2024, the company achieved a CG Score of 86 points, an improvement from the previous year, placing it in the "Very Good" (4-star) category. This achievement highlights Sappe's continuous efforts to enhance governance processes. To achieve its long-term governance goals, Sappe plans to further improve governance transparency and efficiency by regularly reviewing and updating policies. This will ensure that all aspects of the company's operations are conducted at the highest quality standards, supporting organizational growth and excellence in the future.

3.4 Social Sustainability Management

Sappe believes that business growth and sustainable social development can go hand in hand. Guided by the principle **"We better people's lives through our innovative spirit,"** the company has established the following policies and practices to drive positive social impact:

- 1. Employees** – Supporting initiatives that enhance employees' well-being in all aspects, including workplace safety, job satisfaction, career development, innovation-driven thinking, equality, and adherence to human rights principles.

2. Consumers/Customers – Committing to innovative product development and responsible manufacturing, ensuring that high-quality products reach the widest audience. The company also upholds ethical marketing practices, providing clear and transparent product information while actively listening to customer feedback in an impartial and non-discriminatory manner to best meet consumer needs.

3. Communities and Society – Promoting better quality of life by sourcing raw materials from Thai farmers and enhancing their value through Sappe's expertise in innovation. The company also supports local employment, social equality, and knowledge-sharing to inspire and drive creativity within society.

4. Business Partners and Suppliers – Driving sustainable business growth by continuously collaborating with partners on product development, exploring new investment opportunities, and innovating business models that contribute to long-term societal well-being.

In addition to implementing Sappe's sustainability policies, the company is dedicated to aligning its operations with the United Nations' Sustainable Development Goals (SDGs), reinforcing its role in global sustainable development.

Sappe has also established a Human Rights Policy to ensure respect, fairness, and equality for all stakeholders. This policy aims to create a sustainable and positive work environment throughout Sappe's entire value chain, ensuring that business operations remain free from human rights violations. The Human Rights Policy applies to all departments and personnel within Sappe, including the Board of Directors, Executive Committee, management, and employees at all levels. Additionally, the company encourages its business partners, suppliers, and all stakeholders to adhere to these principles, ensuring that ethical and sustainable business practices are upheld across all operations.

- Promote and implement measures to protect human rights in all business operations.
- Respect human rights and uphold equality, without discrimination based on physical or mental conditions, race, nationality, ethnicity, religion, gender, language, age, skin color, education, social status, culture, customs, or any other factors.
- Enhance awareness and understanding by communicating and educating business partners and stakeholders throughout the business value chain.
- Ensure active monitoring of human rights issues—any observed violations must be immediately reported to the responsible authorities or designated personnel.
- Protect whistleblowers and complainants regarding human rights violations in accordance with company regulations.
- Monitor, manage, and investigate human rights violations, ensuring fair remediation for affected individuals.
- Hold individuals accountable for human rights violations—such actions will be considered a breach of the company's Code of Conduct and regulations, subject to disciplinary action and, if applicable, legal prosecution.

In 2024, Sappe demonstrated its commitment to social sustainability by prioritizing equality and diversity across all stakeholder groups. A key example of this is within the workforce, where the company embraces inclusive hiring practices, focusing on passion and commitment to building a Thai brand with a global presence, rather than factors such as gender, age, nationality, religion, or appearance. To drive this vision forward, Sappe operates under five Core Values: (1) Experimental Creativity (2) Integrity for Sustainability (3) Do The Impossible (4) Dynamic With Speed and Never Give Up and (5) Fun Teamwork. Once part of the Sappe team, employees are provided with comprehensive human capital development, covering Hard Skills, Soft Skills, and Well-being. The company ensures equal opportunities for all employees to maximize their potential, supporting diversity as a foundation for creativity and innovation. Sappe believes that strong internal development leads to external success. When employees experience well-being and continuous professional growth, they are better equipped to create and deliver high-quality products that enhance people's lives. This philosophy not only strengthens the company's impact on society but also ensures long-term business success.

Sappe is committed to enhancing employee well-being, ensuring a holistic approach that covers five key dimensions of well-being: Physical, Mental, Social, Spiritual, and Intellectual. The company believes that fostering a positive work environment contributes to employee happiness, motivation, and long-term productivity.

At the beginning of the year, Sappe launched its annual Town Hall event, known internally as 'Talk Twist C', where senior executives shared their vision and commitment to improving employees' quality of life. The event also introduced upcoming well-being initiatives and activities, ensuring that all employees are informed and engaged from the start of the year. Sappe firmly believes that happy and well-supported employees are more motivated, engaged, and capable of delivering high-performance results. To ensure fair and competitive benefits, the company benchmarks its employee welfare and benefits against industry standards, similar businesses, or legal requirements. The company remains committed to continuously improving employee benefits, maintaining policies from previous years while adapting to evolving needs. The following section provides a detailed summary of Sappe's welfare and benefits program.

Physical Well-being. The company has expanded its annual health check-up program, adding the following tests:

1. Uric acid test
2. Kidney function test
3. Cervical cancer screening
4. Breast cancer screening

Mental Well-being

1. Healing Workshop Activities – A stress-relief program where employees can engage in activities they enjoy, such as terrarium gardening, painting, and cake decorating. These workshops are held every three months for one year to promote relaxation and creativity.

2. Small-Group Therapy Sessions – Professional therapists facilitate confidential group sessions, allowing employees to express their emotions, share concerns, and receive expert guidance, providing an additional outlet for stress relief.

Social Well-being

1. Mouth Moy Joy Beer" Social Gathering – A monthly Friday evening get-together on the third week of each month, where employees can socialize after work with food, drinks, and karaoke, fostering a fun and engaging workplace culture.

2. Employee-Led Party Planning – Employees can volunteer to organize office events, allowing them to design and customize the celebrations according to their preferences. This initiative promotes leadership skills, cross-department collaboration, and team engagement.

Spiritual Well-being

1. Donation for Flood Relief

2. Sharing Experience Initiative – Employees with a passion for knowledge-sharing can volunteer as guest speakers at Srinakharinwirot University, Assumption University, Thammasat University, and King Mongkut's Institute of Technology Ladkrabang. Topics include Human Resource Management, Food Innovation Culture, and Business Success Strategies, with insights from Sappe executives to inspire and support future professionals.

All these initiatives, whether through donating essential goods or sharing knowledge, allow givers to experience the true fulfillment of contributing without expecting anything in return. This aligns perfectly with the company's mission: "We better people's lives through our innovative spirit."

Intellectual Well-being

Sappe is committed to continuous learning and intellectual growth by ensuring that all employees have access to training and development opportunities. The company provides departmental training budgets, allowing employees to select courses based on their interests and career goals. This approach is based on the belief that true knowledge is achieved through self-motivation and the desire to learn.

Another notable achievement is Sappe's dedication to customers. The company has consistently delivered high-quality products sourced from Thai farmers, such as nata de coco in Mogu Mogu, to consumers worldwide. By staying attuned to new consumer behaviors, emerging trends, and evolving lifestyles, Sappe ensures that its marketing strategies and product offerings remain relevant. A recent groundbreaking initiative is the 'Suay Roa Mai Tong Suay Krai (Beauty through our eyes, not other people's)', campaign by Sappe Beauti. This campaign promotes equality and diversity through advertising and redesigned packaging, reflecting the 'Equality & Diversity' concept. It underscores Sappe's efforts in creating a positive social impact by advocating for Self-Love, inclusivity, and empowerment, encouraging individuals to embrace their unique beauty and identity.

3.4.1 Social Goals and Performance

Employees: The most important players in our journey toward becoming a **Global Brand**, or what we call **Mission to MARS**, are our employees—whom we proudly refer to as SAPPE Players. As the game evolves and the playing field expands, reaching our ambitious goals requires prioritizing our people's well-being and readiness in every aspect. To ensure Sappe Players are fully prepared—physically, mentally, and professionally—we have adopted a balanced Well-being framework across five key dimensions:

1. Physical and Mental Health

Sappe promotes physical well-being by preventing Office Syndrome through therapeutic massage sessions. Skilled massage therapists are hired to provide neck, shoulder, and back massages for SAPPE Players every Tuesday and Thursday, with each session lasting 30 minutes.

The Club Sport program encourages regular exercise by offering activities such as running, badminton, and football, with weekly training sessions. Employees are also encouraged to form teams and propose new sports they are interested in. Additionally, the company provides free health check-ups for at-risk employees, including ECG heart screenings for those aged 35 and above. Free screenings for serious illnesses such as cervical and breast cancer are also available through the Mammogram Mobile Unit and Thermal Breast Imaging technology.

Good health also comes from proper nutrition. Employees who arrive at work before office hours receive a free, well-balanced breakfast with a variety of options, including salads, milk, bread, and more. Additionally, a clean-eating menu is offered once a week to encourage healthier dietary choices.

With the increasing focus on mental health, particularly in the post-COVID era, Sappe has taken steps to support employees' mental well-being. A mental health survey was conducted to assess the psychological state of SAPPE Players. For those experiencing mild to moderate stress, the company introduced Group Sharing sessions with professional psychologists, offering direct support in three separate sessions. To further enhance relaxation, SAPPE Players were invited to participate in a variety of stress-relief activities, with a total of nine creative workshops available. Employees could choose from flower arrangement, scented candle making, watercolor painting, herbarium terrarium arrangement, acrylic painting on tote bags, cactus garden arrangement, bottle garden terrarium design, ceramic plate painting, and cake decorating. These activities received highly positive feedback, reinforcing Sappe's commitment to fostering a supportive and balanced workplace environment.

2. Relationship

At Sappe, our employees are more than just colleagues—they are friends, teammates, and family. One of our Core Values, "Fun Teamwork," reflects our belief that happiness in life begins with a team that enjoys working together and understands one another. To strengthen team relationships, Sappe organizes departmental outings, allowing employees to connect and build stronger bonds. On a company-wide level, Sappe hosts Happy Friday, also known as "Mouth Moy Joy Beer," every mid-month Friday, providing a space for employees to relax and unwind.

Additionally, we offer Mic Duets, a karaoke session where employees and executives sing together, as well as a variety of board games to foster team bonding. These activities help create a positive and engaging work environment, ensuring that SAPPE Players feel happy, valued, and connected.

3. Environment

With Sappe's Work from Office 100% policy, the company is dedicated to creating an office environment that is even more enjoyable and comfortable than working from home. To achieve this, various office spaces have been designed to help employees relax, stay motivated, and enhance their overall work experience.

The office features a recreational zone equipped with a snooker table, allowing employees to unwind and have fun. There is also a café zone, where employees can work while enjoying freshly brewed coffee and listening to relaxing music throughout the day. Additionally, a green space on the balcony, filled with a variety of ornamental and flowering plants, provides a serene environment for employees to rest their eyes and refresh their minds.

Meeting rooms are designed with diverse themes and vibrant colors, making them more engaging and fun while catering to different group sizes. For employees who require a quiet and distraction-free environment, a no-noise room is available to support deep focus and concentration. By enhancing the office atmosphere, Sappe ensures that employees feel comfortable, inspired, and truly enjoy their time at work.

4. Financial Security

Sappe's salary structure and bonus management are carefully designed to align with industry standards and are benchmarked against global salary and benefits surveys. This ensures that employees receive fair and competitive compensation, providing them with long-term financial stability and confidence in their careers.

To support personal financial well-being, Sappe Players can contribute between 3% to 15% of their salary to the Provident Fund (PF) for future savings. Additionally, senior executives actively educate employees on financial management, emphasizing mindful spending, debt awareness, and tax planning. The company's accounting team provides guidance on tax calculations, while external financial experts are invited to conduct financial literacy workshops to help employees manage their finances effectively. Through these initiatives, Sappe empowers its employees to build financial security and make informed financial decisions for a sustainable future.

5. Value, Meaning of Life, Spiritual

This year, Sappe focuses on self-development and personal achievement, believing that true fulfillment comes from the ability to conquer challenges independently. To empower every Sappe Player, the company equips them with the right Mindset, Toolset, and Skillset, ensuring they can anticipate, adapt, and act effectively in an ever-changing world.

The goal is for employees to stay informed about new developments, remain aware of industry trends, and take immediate action when opportunities arise. By fostering a culture of continuous learning and proactive thinking, Sappe enables its team members to thrive both professionally and personally, reinforcing the company's vision of growth and success.

Sappe has established a Sustainability Unit that has been actively operating for several years, ensuring that sustainability remains an integral part of the company's mission. Beyond corporate efforts, Sappe continuously encourages employees to actively participate in social responsibility initiatives. For example, during the severe flooding in Northern Thailand, the company organized a donation drive, collecting essential items such as clothing and daily necessities to support those in need. For many, the true meaning of life and fulfillment comes from helping others and making a difference, no matter how big or small.

Sappe is committed to ensuring that employees enjoy good health, happiness at work, and a fulfilling career. The company firmly believes that well-supported employees are more engaged, productive, and motivated to contribute effectively. To retain skilled and experienced employees, Sappe focuses on competitive benefits, job security, and an improved quality of life, benchmarking its welfare programs against industry standards and legal requirements.

Sappe also encourages employees to actively participate in workplace activities in compliance with labor regulations. The company supports initiatives such as the Welfare Committee, various sports and recreation clubs, and the Employee Committee, which serves as a bridge between employees and management. These representatives gather employee feedback and suggestions on welfare improvements, which are then discussed in regular meetings with company executives. To further enhance employees' financial stability, Sappe has introduced a home loan program in collaboration with the Government Housing Bank. This program offers special interest rates, floating rate discounts, and loan amounts of up to 100% of the property value, making homeownership more accessible for employees and their families.

Additionally, the company has revised its long-service award program. Previously, the maximum tenure recognized was 15 years, but with an increasing number of employees surpassing this milestone, Sappe has introduced 20-year and 30-year service awards to honor and reward long-term employees who have played a crucial role in the company's growth and success.

One of the key factors that enables Sappe Players to grow together, despite constant changes both within the company and the external market, is the strength of our corporate culture, deeply embedded in our DNA. At the core of our culture are five fundamental values:

- **Experimental Creativity** – Encouraging bold innovation, a fearless attitude toward new ideas, and the ability to learn from failures and bounce back quickly.
- **Do the Impossible** – Challenging limits and daring to achieve what once seemed unattainable.
- **Dynamic with Speed and Never Give Up** – Adapting swiftly to change, tackling obstacles with resilience, and maintaining an unwavering determination.
- **Fun Teamwork** – Fostering a work environment filled with positive energy and collaboration.
- **Integrity for Sustainability** – Building trust, supporting long-term success, and ensuring a future where everyone thrives together.

With these values, Sappe is committed to growing into a THAI PRIDE brand, a company that makes Thailand proud by exporting high-quality Thai products worldwide. The collective energy of Sappe Players, driven by passion, knowledge, and a positive mindset, is the force behind our success in innovation and global brand expansion.

Our efforts in enhancing the work environment and employee well-being have led to remarkable results. The Employee Engagement Survey for 2024 scored 4.32 out of 5, reflecting strong employee satisfaction and commitment. Additionally, the executive turnover rate was just 0.54%, significantly better than our target of 5%, demonstrating the company's success in creating a stable and thriving workplace.

Consumers/ Customers: In 2024, Sappe delivered innovative products that align more closely with modern consumer lifestyles by developing new product lines for emerging consumer segments. This was made possible through data-driven strategies, where the company collected and analyzed consumer insights from its key brands to enhance product development and refine marketing approaches, ensuring that new products precisely meet the needs of target audiences.

To sustain long-term growth, Sappe expanded into international markets—particularly in Asia, the U.S., Europe, and the Middle East—leveraging the O2O (Online to Online/Offline) marketing strategy. This integrated approach effectively combines online marketing with both e-commerce and offline retail sales, enabling the company to adapt swiftly to evolving consumer behaviors. In the domestic market, Sappe aggressively strengthened its online presence, focusing on digital communication, e-commerce platforms, and Sappe's official online store.

As a result, in 2024, over 20 Sappe brands were successfully distributed to 100 countries worldwide, generating total sales of 6,775 million THB, with a growth rate of 11.9%. The revenue breakdown consisted of 20.2% from domestic sales and 79.8% from international markets.

Beyond commercial success, Sappe is dedicated to promoting consumer health and has set a goal to increase the proportion of health-focused products to no less than 50% of its total product portfolio by 2030. In 2024, the company achieved 33.6%, reflecting its ongoing commitment to health-conscious product development.

Additionally, Sappe actively collaborates with external organizations to uphold industry standards and product safety. The company is a member of the Thai Beverage Industry Association and the Federation of Thai Industries, working alongside industry peers to address regulatory challenges, production standards, and consumer safety concerns. These partnerships help create efficient communication channels between the private sector and government agencies, ensuring the highest level of industry benefits for businesses and consumers alike.

Business Partners: Sappe maintains strong partnerships with business allies worldwide by adhering to a Win-Win business approach. This philosophy has enabled the company to expand into over 100 countries globally. Sappe strives to go beyond a traditional supplier-distributor relationship by working closely with partners as brand ambassadors who help build and promote the brand together. In 2024, aligning the company's vision and strategy with its partners played a crucial role in driving business success. Sappe provides brand-building support and strategic guidance, fostering collaboration through data sharing and marketing insights to optimize product positioning. The company has also developed a Partnership Platform to identify, develop, and select the right business partners for long-term brand growth on a global scale.

To strengthen collaboration, Sappe maintains regular discussions with partners, analyzing market trends, economic impacts, and business performance. A quarterly review process is in place to assess the effectiveness of joint initiatives, allowing partners to adjust their strategies proactively. The company has also expanded its support network by enhancing inventory management, order processing, and financial operations to ensure seamless business operations.

Recognizing the importance of ethical business practices, Sappe has established a Supplier Code of Conduct, outlining clear ethical and compliance standards. The company operates with transparency, integrity, and legal compliance, while also committing to social and environmental sustainability. This approach fosters a balance between business growth, social responsibility, and environmental conservation.

Sappe is dedicated to promoting these principles among its partners, ensuring that all suppliers operate with fairness, honesty, transparency, and accountability, just as Sappe does. This commitment aims to drive mutual growth while expanding positive impacts on society.

In 2024, Sappe monitored compliance with its Supplier Code of Conduct, covering 89.73% of its suppliers, focusing on social and environmental responsibility. No violations of ethical standards were reported. Additionally, the company developed and distributed a Supplier Business Ethics Guideline, ensuring that all partners understand and adhere to Sappe's core values of transparency, integrity, and sustainable growth.

Supplier Code of Conduct

1. Business Ethics

Sappe is committed to conducting business with integrity, honesty, and fairness, ensuring that all partners adhere to ethical principles and legal compliance. The company expects its suppliers to uphold the following ethical standards:

- Conflict of Interest – Suppliers must not engage in any improper relationships with the company's directors, executives, or employees to seek unfair advantages.
- Anti-Corruption and Bribery – Suppliers must actively cooperate with Sappe in combating all forms of corruption and bribery.
- Intellectual Property Rights – Business operations must comply with laws and regulations related to intellectual property rights, ensuring respect for proprietary assets.
- Confidentiality – Suppliers must protect and safeguard confidential information related to Sappe and its stakeholders, ensuring data privacy and security.

2. Human Rights and Labor Standards

- Equal Treatment of Workers – Suppliers must treat their employees fairly and equally, without discrimination based on race, religion, gender, age, skin color, nationality, marital status, political opinions, physical condition, or social status.
- Labor Protection – Suppliers must comply with all legal labor regulations, prohibiting the employment of underage workers and ensuring that all employees are legally hired and treated in accordance with labor laws.
- Fair Wages and Benefits – Suppliers must pay employees legally required wages and benefits in a fair and timely manner, ensuring compliance with labor laws and ethical compensation practices.

3. Occupational Health and Safety

- Ensure that the workplace is safe, promotes good occupational health, and supports efficient work performance in compliance with laws, regulations, and safety standards. Implement strict safety procedures to prevent workplace accidents and emergencies, ensuring that incidents are managed correctly and promptly.

4. Environmental Management and Sustainable Business Development

"We better people's lives through our innovative spirit." is the ultimate core principle that drives Sappe's business. We prioritize our stakeholders above all else, operating with good governance, transparency, and anti-corruption. Sappe integrates sustainability policies and guidelines throughout the entire value chain, ensuring long-term success. Our mission includes the following commitments:

Key Business Partners

We recognize that our business partners play a crucial role in supporting Sappe's goal of achieving 10 billion THB in revenue by 2026. We firmly believe that building strong relationships with our partners is key to driving long-term sustainability.

To foster engagement, we share our corporate vision with our partners and collaborate on strategic planning to develop higher-quality products and services. This approach enhances efficiency, competitiveness, and mutual growth, aligning with our long-standing Win-Win business philosophy. We classify key partners based on order volume (Top 20 suppliers) and the

strategic importance of their products. This allows us to implement effective supplier management strategies, ensuring that all partners are well-equipped to grow alongside us.

Our goal is to ensure that our partners continuously improve in business efficiency, product quality, and service excellence, positioning them to contribute to Sappe's corporate objectives. Based on risk assessments for 2024 and 2025, no significant risks were identified among our suppliers. Sappe has proactively collaborated with its top 20 strategic partners, securing purchase agreements and risk mitigation plans to reinforce confidence in shared growth and long-term success.

Supplier Categorization: Partnerships Driving Shared Success

Sappe is dedicated to fostering a strong and reliable partnership network to drive business success and sustainability across all dimensions. To ensure an efficient and high-quality supply chain, we classify our suppliers based on their importance and role in the production process. Suppliers are categorized into two main groups:

1. **Critical Tier 1 Suppliers** – These are key partners who supply essential raw materials and primary packaging used in the manufacturing process.
2. **Non-Critical Suppliers** – These partners provide additional raw materials and packaging that support production but are not classified as primary components.

In the past year, 40.78% of Sappe's suppliers were classified as Critical Tier 1 Suppliers, while 59.22% were Non-Critical Suppliers.

This supplier classification is more than just a systematic approach; it is a strategic initiative aimed at deepening relationships with key partners, enhancing supply chain quality, and promoting sustainability throughout all operations. The ultimate goal is to deliver high-quality products to consumers worldwide while generating a lasting positive impact on society and the environment.

Additionally, in 2024, Sappe successfully maintained 100% on-time payments to all suppliers within 0-60 days from the date of goods or services received. The company had no instances of late payments, reinforcing its commitment to fair and transparent business practices.

With a strong commitment to developing innovative health products, Sappe set a goal to introduce at least 10 new products to consumers. The company aims to enhance the quality of life by continuously creating and developing products that cater to a wide range of consumer needs.

In 2024, Sappe successfully launched 26 new innovative products (NPDs), exceeding the original target. These products not only add value to consumers but also reinforce Sappe's dedication to enhancing well-being through innovation, ensuring that consumers receive high-quality, health-conscious solutions that improve their daily lives.

Investor and Shareholder: Sappe is committed to transparency and open communication with investors and shareholders. The company's Investor Relations (IR) team is responsible for disclosing essential financial information to shareholders, investors, analysts, and regulatory bodies, including the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and the company's Investor Relations website. This ensures that all stakeholders have

easy access to important updates. To foster investor confidence and maintain open, transparent communication, Sappe regularly conducts activities and briefings where participants can directly engage with senior executives. In 2024, the company's senior management actively participated in several key investor relations events, summarized as follows:

- Quarterly Analyst Meetings: Held four times to present financial results, allowing analysts to publish investment insights.

- (1) March 4, 2024 – Reports published by 14 brokerage firms
- (2) May 20, 2024 – Reports published by 18 brokerage firms
- (3) August 19, 2024 – Reports published by 13 brokerage firms
- (4) November 19, 2024 – Reports published by 9 brokerage firms

In addition, participated in four quarterly sessions hosted by the Stock Exchange of Thailand, SET Opportunity Day, along with the Annual General Meeting (AGM) held on April 18, 2024.

- Investor Roadshows: Conducted 10 investor roadshows, engaging with leading financial institutions both domestically and internationally.

- Company Visits: Hosted 27 meetings with institutional and retail investors from both domestic and international markets.

- Conference Calls: Held 34 teleconferences to provide business updates to investors. If senior executives were unavailable, the Investor Relations team was assigned to ensure continuous communication with investors worldwide.

Community and Society: Sappe believes that business growth and sustainable social development can go hand in hand. Throughout our journey, we have remained dedicated to our mission: “We Better People’s Lives Through Our Innovative Spirit.” As part of our community and social responsibility initiatives, we are committed to improving the quality of life for people in our surrounding communities, particularly in Lam Luk Ka District, Pathum Thani Province, and nearby areas. To support this, we have allocated an annual budget of no less than 700,000 THB for community development, including sourcing raw materials from Thai farmers and enhancing them with Sappe’s innovation and expertise, promoting local employment and economic opportunities, supporting social equality and inclusivity, inspiring and sharing knowledge to cultivate a culture of creativity and innovation. Throughout 2024, we have undertaken various initiatives to support community growth and sustainability, such as:

“Wan Whan Wan” Project (8th Year): The project has now entered its 8th consecutive year, and in 2024, efforts remain focused on restoring the affected areas following the flooding experienced by project members in late 2023. The cultivation cycle for aloe vera, the key crop in this initiative, typically takes 8–12 months from the planting date. The project anticipates that the first harvest will begin in early 2025. Over the past year, activities have primarily centered on rehabilitating and improving the planting areas while also redesigning the layout to prevent future flooding during the rainy season. In 2024, the project generated 27,474 THB in income that was reinvested into the community, bringing the cumulative total revenue of the initiative to 866,089 THB. The “Wan Whan Wan” project integrates high-quality raw materials into the production process, contributing to the business’s sustainable growth.

This initiative serves as a promising pilot program for expansion into other areas, helping to ensure a stable supply of raw materials for the company in the future.

Product Donations for Communities and Social Initiatives: The company supports local organizations through various community activities, providing over 49,176 bottles of products and beverages, valued at 1,291,990 THB. This initiative aims to foster a sense of pride in high-quality Thai brands while also ensuring that the community has access to clean and safe food for an improved quality of life.

"90 Days: My Fat for You" Project (5th Year): This employee fitness challenge has been running for five consecutive years, encouraging staff to engage in various workout activities for 90 days while collecting points through the '90 Days: My Fat for You' app. These points are then converted into funds for social benefit initiatives.

In 2023, employees accumulated a total of approximately 350,000 THB in points, which were used to fund the construction of a playground for an underprivileged school in 2024. This initiative not only promotes employee well-being through exercise but also strengthens community engagement and social contribution. The "90 Days: My Fat for You" project further reinforces social sustainability by supporting youth development. Through this initiative, four learning spaces were created, benefiting 1,219 children and youth. This reflects the company's commitment to building a better society and prioritizing children's rights, particularly their right to development. The project focuses on enhancing learning environments, fostering creativity, and supporting children's physical development.

Community Well-being Promotion Initiatives (2024): Throughout 2024, Sappe has actively contributed to enhancing the quality of life for local communities, particularly those surrounding our Khlong 13 plant in Lam Luk Ka, Pathum Thani. Our key initiatives include:

- **Cold Water Dispenser Donation Project:** Sappe provided cold water dispensers to Lam Luk Ka Hospital, Nong Suea Hospital, Phuet Udom Subdistrict Health Promotion Hospital, and Yameul UI-Auliya Mosque. This initiative ensured that healthcare personnel and community members—a total of 15,417 individuals—had access to refreshing drinking water.
- **The project to develop clean water filtration systems for the Phuech Udom community** aims to improve access to safer and cleaner drinking water, with a total investment of over 120,000 THB.
- **Soi Nong Som Road Improvement Project:** The company funded road repairs in Moo 7, Phuet Udom Subdistrict, enhancing safety and convenience for local commuters. The project directly benefited 652 residents.
- **Mobile Public Service Unit and Welfare Support Initiative:** Sappe participated in Pathum Thani's Mobile Public Service Program, distributing relief packages to over 200 elderly individuals, people with disabilities, and underprivileged residents, ensuring they received essential supplies and care.

Through these community well-being initiatives, Sappe has positively impacted the lives of 16,269 people. To ensure continuous community and social development, the company conducts regular satisfaction surveys among residents surrounding the Khlong 13 plant. These surveys help us assess the effectiveness of our community engagement activities, identify any potential impacts from our operations, and develop sustainable solutions that enable us to coexist harmoniously with the community. Sappe set a target of achieving at least 80% community

satisfaction rate for 2024. The actual community satisfaction rate reached 84.5%, exceeding our goal and reinforcing our commitment to long-term community development and sustainability.

3.5 Environmental Sustainability Management

Sappe has established an environmental policy that aligns with the company's goals and operational context while upholding social and environmental responsibility. This policy is integrated into business operations, communicated to all employees, and shared with the public. The key aspects of this policy include:

1. **Strict Compliance with Environmental Laws and Standards.** In cases where no specific regulations exist, the company sets higher internal standards to prevent environmental harm and mitigate pollution caused by operations.
2. **Environmental Action Plans Aligned with Stakeholder Expectations** – Environmental measures are implemented in accordance with organizational context and stakeholder expectations. These measures are regularly reviewed and updated to ensure continuous improvement.
3. **Accident and Disaster Prevention** – The company takes proactive steps to prevent accidents and environmental hazards caused by its operations while ensuring emergency response preparedness.
4. **Efficient Energy Utilization** – Sappe is committed to using energy efficiently, ensuring maximum conservation and effectiveness in all aspects of operations.
5. **Continuous Environmental Management Improvement**

Over the past year, Sappe has actively promoted sustainability through bio-plastics and recycling initiatives, focusing on Sustainable Packaging & Eco Design to reduce environmental impact. The company continues to implement packaging solutions in alignment with the Circular Economy model. Labels on all Sappe products have been switched from PVC to 100% PET, making them more recyclable. The company has also reduced the gram weight of plastic used in bottles and transitioned from Virgin PET to Recycled PET for packaging materials. To further improve sustainability, Sappe has introduced Tethered Caps, ensuring that bottle caps remain attached to the bottle and can be easily collected for recycling. Additionally, the weight of the bottle cap has been reduced by 0.05 grams per cap to minimize plastic usage. Sappe has also increased the use of recycled paper materials for packaging. In addition, Sappe has partnered with GC (PTT Global Chemical) through the "GC YOUturn" project, which focuses on plastic waste management and reducing plastic pollution. This initiative aligns with Sustainable Development Goal (SDG) 17, emphasizing global partnerships, particularly multi-sector collaboration to drive sustainable development efforts forward.

Sappe has revised its policies on quality, security, safety, occupational health, and environmental management to reinforce its commitment to monitoring and improving its environmental, occupational health, and safety operations. These policies comprehensively address associated risks, with the executive leadership team (VP level) responsible for overseeing, monitoring, evaluating, and continuously improving performance while reporting directly to the Board of Directors.

The company is dedicated to producing Green Products, developing Green Factory manufacturing processes, and integrating innovative technologies to minimize pollution and enhance environmental sustainability. This commitment goes hand in hand with Sappe's ongoing efforts in corporate social and environmental responsibility. To ensure a structured and effective approach, Sappe has implemented the ISO 14001:2015 Environmental Management System, which has been adopted across all operations. Employees are required to adhere to these environmental policies, which have also been publicly communicated to reinforce the company's commitment to sustainability.

We will comply with laws and standards while continuously improving our environmental management practices.

1. Strict Compliance with Environmental Laws and Standards – We strictly adhere to environmental laws and regulations. In cases where specific laws and standards do not exist, we establish more stringent internal standards to guide our operations, ensuring minimal environmental impact and effective pollution prevention.

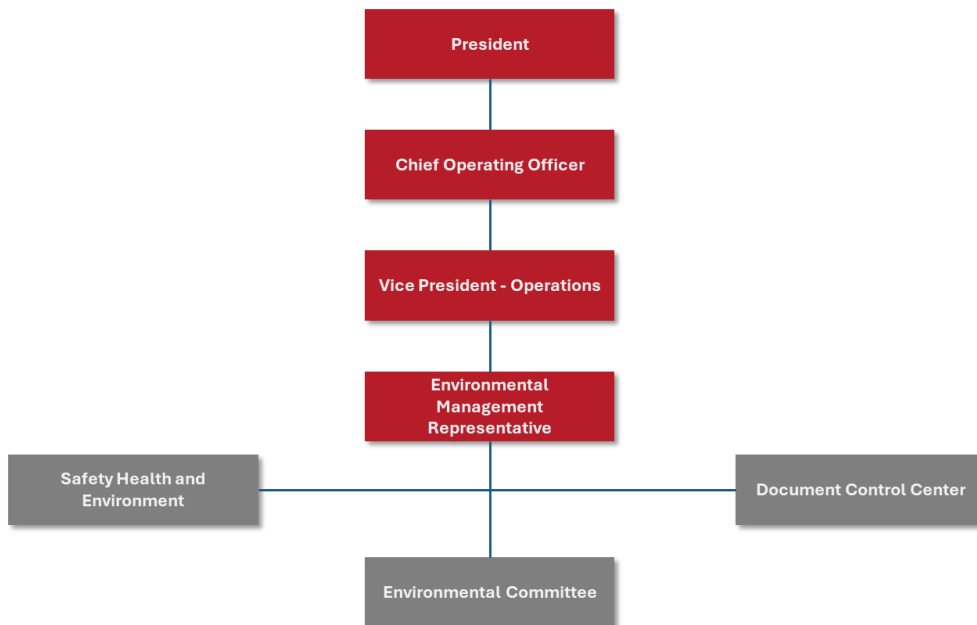
2. Implementation of Environmental Management Measures – We develop and regularly review environmental management plans to align with our organizational context and stakeholder expectations, ensuring sustainable operations.

3. Accident and Disaster Prevention – We take proactive measures to prevent environmental accidents and disasters while maintaining emergency response readiness to mitigate potential environmental impacts.

4. Efficient Energy Use – We prioritize energy conservation, ensuring optimal efficiency and responsible use of energy and natural resources.

5. Continuous Improvement of Environmental Management

To ensure effective environmental management, the company has established an Environmental Committee responsible for overseeing and implementing the ISO 14001 Environmental Management System. This system covers 100% of the company's production facility, located at 8, Moo 7, Phuech Udom Subdistrict, Lam Luk Ka District, Pathum Thani Province - the company's sole manufacturing site. The committee operates under the direct supervision of **Mr. Anan Ruckariyapong**, Director and Chairman of the Company.



3.5.1 Environmental Goals and Performance

(1) Energy Management

Sappe recognizes the importance of efficient energy use and is committed to implementing energy management practices across the organization. The company aims to involve all employees in energy conservation efforts to align with corporate and governmental energy-saving policies, ultimately reducing costs and enhancing sustainability. Energy Management Guidelines

1. The company will establish an energy management system and integrate it into its operations.
2. Energy conservation plans and targets will be set in alignment with the company's energy usage, ensuring clear communication to employees for proper implementation.
3. Energy conservation will be a shared responsibility among all employees at every level, with strict compliance with relevant energy conservation and management laws.
4. Resources and budgets will be allocated for energy-related improvements, along with regular training sessions for employees.
5. The company will continuously improve energy efficiency by regularly reviewing and updating energy management plans.

Sappe remains committed to efficient energy management through ongoing energy conservation initiatives. These efforts have significantly improved the company's energy efficiency. The company has also increased its reliance on solar energy, utilizing Solar Rooftop and Solar Floating systems. This shift toward renewable energy not only reduces reliance on fossil fuels but also lowers greenhouse gas emissions, contributing to climate change mitigation and reducing global warming.

In 2024, the company generated 2.67 million kWh of renewable energy, which was below the initial target of at least 7 million kWh. To achieve this goal, Sappe is currently evaluating strategies to enhance solar energy system efficiency. This includes reviewing and optimizing maintenance protocols, as well as exploring opportunities for further expansion of solar installations.

Energy Consumption and Carbon Dioxide Emission Reduction

Type of Energy	2024	2023	2022
Power from electricity authorities (kilowatt-hours)	25,156,801	25,404,120	23,522,000
Solar rooftop (kilowatt-hours)	2,380,120	2,795,884	3,151,000
Solar floating (kilowatt-hours)	290,111	0	0
Reduction in electricity consumption (kilowatt-hours)	2,670,231	2,795,884	3,151,000
Reduction of carbon footprint (tonnes CO ₂ e)	1,335	1,398	1,575

In 2024, the company set a goal to reduce energy consumption by at least 10%. The total electricity usage for the year was 27,827,032 kilowatt-hours, with a reduction of 2,670,231 kilowatt-hours, equivalent to 9.60%. This reduction was achieved through the use of solar energy, including rooftop solar panels and floating solar systems, as well as internal energy-saving initiatives within the organization. For 2025, the company remains committed to further reducing energy consumption by at least 10%.

Additionally, in 2024, the company continued its focus on utilizing biomass thermal energy (details provided in the table below), contributing to efforts in mitigating climate change.

Type of Fuel	2024	2023	2022
Bunker Oil - Grade C (tons)	779	477	466
Palm Kernel Shell (tons)	0	0	100
Wood pellet (tons)	5,186	13,084	7,039
LPG (tons)	131	0	0

Additionally, the company continues to prioritize and support various initiatives, such as encouraging employees to turn off lights and computer screens during lunch breaks or when not in use. Other initiatives include energy-related quiz activities through the factory's Energy Management Committee and the installation of VSD equipment to control high-pressure pumps or other machinery used in the factory.

(2) Water Management

The company's sole production facility, located at 8, Moo 7, Phuech Udom Subdistrict, Lam Luk Ka District, Pathum Thani Province, accounted for 2,765.78 million THB in total assets in 2024 and contributed 43% of the company's total revenue from sales (based on standalone financial statements). Given that this area is classified as a water-stressed area, the company recognizes the critical importance of water resources and is committed to responsible water management to minimize environmental impact. A comprehensive water usage assessment has been conducted to identify opportunities for efficiency improvements. The company has also established a water management team dedicated to optimizing production processes, upgrading equipment and technology, and reducing water consumption. In addition, the company places significant emphasis on improving wastewater quality

and maintains a Zero Discharge policy, ensuring that no wastewater is released outside the facility, thereby preventing negative environmental and community impacts.

To foster awareness among employees, the company actively promotes responsible water management practices throughout the organization. Additionally, it collaborates with government agencies such as the Royal Irrigation Department to share water usage data, assess risks, and develop comprehensive water management plans to mitigate water stress impacts on surrounding communities and stakeholders.

In 2024, the company set a target to limit external water withdrawal to no more than 60% of total water usage. In 2024, external water withdrawal accounted for 63% of total water consumption. To achieve this goal, efforts have been focused on recycling and reusing process water to reduce dependence on external sources. Water management initiatives cover 100% of the company's production facility, as it is the only manufacturing site.

The company is also exploring additional water management strategies, including enhancing the efficiency and capacity of its wastewater treatment system, to further increase water reuse and reduce reliance on external water sources.

Water volume entering the recycling system	2024	2023	2022
Volume of water entering the recycling system (Cubic Meters)	295,585	294,341	349,078

Water Usage and Wastewater Discharge (Cubic Meters)	2024	2023	2022
Water Withdrawal	707,292	576,722	940,829
- Surface water from rivers, lakes, natural ponds	707,289	576,711	940,825
- Groundwater from wells, boreholes	0	0	0
- Used quarry water collected in the quarry	0	0	0
- Municipal potable water	3	11	4
- External wastewater	0	0	0
- Harvested rainwater	0	0	0
- Sea water, water extracted from the sea or the ocean	0	0	0
Total Water Consumption	1,119,897	845,286	706,772
Water Usage Ratio (Inflow-Outflow) (%)	63	68	133
Beverage Production Water Intensity (m3/litre)	0.0041	0.0035	0.0068
Wastewater Discharge	0	0	0
- Ocean	0	0	0
- Surface Water	0	0	0
- Subsurface / well	0	0	0
- Off-site water treatment	0	0	0
- Beneficial / Other use	0	0	0

(3) Air Pollution Management

The company places great importance on managing air quality both within its facilities and in surrounding communities. A comprehensive air quality management plan is in place to ensure compliance with standards while continuously improving air quality control systems. The company sets targets, conducts regular monitoring, and tracks air quality performance to ensure regulatory compliance and build confidence among stakeholders.

The company actively communicates its initiatives and performance results while also gathering feedback, concerns, and suggestions from all stakeholders, including employees and local communities, through various channels. This ongoing dialogue helps enhance air quality control measures.

	(unit : ppm)		
	Legal Standard	Sappe's target	Measured value 2024
Nitrous Oxide (N ₂ O)	< 200	< 60	<1
Sulfur Oxide (SO _x)	< 60	< 45	31.4

(4) Waste, General Waste (Hazardous Waste), and Pollution Management

The company is committed to implementing a waste management policy by establishing processes to assess and monitor waste generation from operations to improve efficiency and reduce waste. This includes both hazardous and non-hazardous waste disposal to maximize resource utilization throughout the value chain while minimizing waste generation.

The company follows the 3Rs principle: Reduce (minimizing consumption and using only what is necessary), Reuse (extending the life cycle of materials through repeated use), and Recycle (repurposing materials for new applications). Certain types of waste, such as contaminated packaging, may pose environmental risks. The company assigns certified external waste management providers, authorized by the Department of Industrial Works, to handle waste disposal. An annual waste disposal report is compiled to ensure that waste is managed according to company policies and in strict compliance with regulations.

In 2024, the company set a target to keep waste and by-product generation within 0.25% of total production capacity. With a production capacity of 185,702 tons, the waste control target was set at no more than 464,255 kilograms. However, in 2024, waste generation reached 0.26% of production capacity (479,616 kilograms). To align with the reduction target, the company is considering appropriate waste management approaches, which may include promoting employee adherence to waste segregation guidelines, improving packaging efficiency to optimize resource use, and enhancing production processes to reduce waste generation.

The volume of waste and by-products generated from business operations is as follows:

Waste Volume (Kilograms)	2024	2023	2022
Non-Hazardous Waste	474,159.00	411,550.00	504,850.00
Hazardous Waste	5,457.00	2,219.00	1,150.00
Total	479,616.00	413,769.00	506,000.00

Waste Management					
No.	Lits	Unit	2024	2023	2022
1.	Total waste	Metric Tons	479.62	413.74	506.00
2.	Hazardous waste	Metric Tons	5.46	2.22	1.15
3.	Percentage of hazardous waste	%	1.13	0.53	0.22
4.	Non-hazardous waste	Metric Tons	474.16	411.55	504.85
5.	Percentage of non-hazardous waste	%	98.86	99.47	99.78

Waste classified by types and methods of management					
No.	Lits	Unit	2024	2023	2022
1.	Total hazardous waste	Metric Tons	5.46	2.22	1.15
2.	Total non-hazardous waste	Metric Tons	474.16	411.55	504.85
3.	Amount of non-recyclable waste	Metric Tons	0.00	0.00	0.00
4.	Amount of recyclable and reusable waste	Metric Tons	479.57	413.77	506.00
4.1	Waste that has been reused and recycled.	Metric Tons	204.89	285.29	348.31
4.2	Waste disposed by being turned in to fuel (alternative fuel/fuel blending)	Metric Tons	2.9	1.59	0.45
4.3	Waste used as a soil quality enhancer.	Metric Tons	241.23	126.18	87.97
4.4	Waste that has been refilled or reused.	Metric Tons	30.55	0.71	69.27

Company Initiatives

- Ensuring Quality Control in Production to minimize waste from production errors.
- Participation in the "YOU Turn" Project with PTT Global Chemical Public Company Limited (GC), starting from plastic waste segregation at YOU Turn Drop Points. The project collects and sorts plastic waste, ensuring proper recycling through ENVICCO, a world-class recycling facility, and certified partner recycling plants. This initiative aligns with the Circular Economy principles, reducing landfill waste and contributing to global warming mitigation.
- Canteen Waste Segregation Project to sort plastic, glass, and used paper for recycling, as well as food waste separation for repurposing as animal feed within local communities.
- Zero Industrial Waste to Landfill Initiative to completely eliminate industrial waste disposal through landfilling.

Employee Waste Management Training Programs

- Basic SHE (Safety, Health, and Environment) Training Program – Raising awareness and educating employees on environmental management, including waste reduction and minimizing environmental impact. This program is mandatory for all employees and workers at every level, with a 100% participation rate.
- 3Rs Environmental Awareness Training Program – Promoting corporate environmental culture by encouraging employees to adopt waste reduction practices. The program introduces the 3Rs principle (Reduce, Reuse, Recycle) to integrate environmental management into production processes, ensuring a balance between resource efficiency and sustainable business operations.

(5) Climate Change Impact

The company acknowledges the significance of climate change and its impact, recognizing that corporate activities contribute to environmental shifts. To address this, the company has established a sustainable environmental framework and actively integrates innovation and technology to support its business operations. This

includes adopting eco-friendly materials and raw materials in the production process to reduce greenhouse gas emissions and implementing alternative energy sources and advanced technologies to maximize resource efficiency. The company is also committed to researching and developing innovations for generating electricity and steam from safe and environmentally friendly alternative energy sources.

Key Initiatives

1. Installation of Floating Solar Panels (Solar Floating) on the water treatment pond behind the factory to utilize clean energy and promote green production.

2. Construction of an Automated Warehouse using advanced technology for system control to optimize resource efficiency.

3. Use of Biomass Fuel (Wood Pellets) for steam production to reduce CO₂ emissions.

4. Sustainable Packaging Development. With the company's continuous growth, the consumption of raw materials has increased in line with production and sales volume. However, Sappe remains committed to efficient and sustainable resource utilization to minimize environmental impact. The company has implemented the following approaches:

4.1 Materials that are 100% recyclable such as PET plastic and other fully recyclable materials.

4.2 Recycled materials such as corrugated cardboard boxes used in packaging.

The company has implemented various initiatives, including:

- **Eliminating the use of PVC labels** on packaging by transitioning to 100% PET labels for all products to ensure recyclability.
- **Switching the raw materials for plastic bottle production** from Virgin PET to Recycled PET to reduce plastic pellet consumption.
- **Reducing the weight of plastic bottles** to minimize resource usage and decrease plastic waste.
- **Adopting tethered caps**, an eco-friendly innovation that ensures bottle caps can be fully recycled.
- **Exploring alternative packaging with lower carbon emissions** to mitigate long-term environmental impacts.

Raw Material Usage (tons) – Main Packaging Types	2024	2023	2022
PET Plastic Group (tons)	9,211.98	9,276.63	8,010.12
Paper (tons)	4284.49	3740.27	2752.60
Total	13,496.47	13,016.90	10,762.72

These activities have led to a reduction in greenhouse gas emissions from **70,037 tons of carbon** in 2023 to **63,114 tons of carbon** in 2024, as shown in the table below.

In terms of raising awareness and fostering engagement within the organization, we have developed a greenhouse gas emissions reporting system. Currently, the company has been certified under the international standard **ISO 14064-1**, with **SGS (Thailand) Limited** as the verifier of the company's greenhouse gas emissions data, conducting assessments in accordance with **ISO 14064-3** standards.

The year **2022** has been designated as the **baseline year**, serving as a reference for developing and improving the company's production systems and operational processes to systematically reduce greenhouse gas emissions. The details are provided in the table below.

Details of Greenhouse Gas Emissions (GHG)	2024	2023	2022 (Base year)
Scope 1: Direct GHG Emissions	5,049	5,286	4,048
Scope 2: Energy Indirect GHG Emissions	13,491	12,700	11,801
Scope 3 : Indirect GHG emission	44,574	52,051	43,411

Remark:

1. Unit: Tonnes of CO₂e
2. Scope 1 data is derived from Category 1 data as per the ISO 14064-1 report.
3. Scope 2 data is derived from Category 2 data as per the ISO 14064-1 report.
4. Scope 3 data is derived from Category 3-6 data as per the ISO 14064-1 report.

(Unit : Tonnes of CO₂e / Liter products)

Greenhouse Gas Emissions	2024	2023	2022
Scope 1	0.0000292	0.0000325	0.0000294
Scope 2	0.0000779	0.0000781	0.0000857
Scope 3	0.0002574	0.0003199	0.0003154

(6) In 2024, the company had no incidents of non-compliance with licenses, standards, and relevant regulations. There were also no environmental disputes from external agencies or surrounding communities near the factory, and no environmental fines or penalties in the 2024 fiscal year.

(7) Sustainability Contact Information: Sustainable Development Department, Phone: 02-319-4949

3.6 Collaboration for Sustainability

The company is committed to driving sustainable development by fostering collaborations with partners both domestically and internationally, including:

(1) Sappe has joined the UN Global Compact Network Thailand (UNG CNT), a local sustainability network under the United Nations Global Compact (UNGC). This initiative aligns with the 10 Principles of UNGC and the Sustainable Development Goals (SDGs), fostering responsible business practices and an ecosystem that drives positive change. The company is committed to four key areas: human rights, labor standards, environmental protection, and anti-corruption. By sharing performance reports and best practices, Sappe contributes to strengthening trust and credibility in the business sector while creating a positive impact on both Thai society and the global community.

(2) Sappe participated in the COP29 Debrief, organized by the UN Global Compact Academy in collaboration with the United Nations Framework Convention on Climate Change (UNFCCC). This event focused on key takeaways

from COP29, as well as strategies and opportunities for the private sector to drive progress in climate action for 2025.

(3) A member of the Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE), a non-profit organization under the Federation of Thai Industries. Established by industry groups, associations, and companies involved in packaging production, TIPMSE aims to reduce post-consumer packaging waste through effective and sustainable waste management solutions. This initiative plays a crucial role in lowering greenhouse gas emissions by promoting responsible packaging disposal and recycling practices.

(4) Sappe has joined forces with the Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE), the Federation of Thai Industries (FTI), the Ministry of Natural Resources and Environment, the Pollution Control Department, and the PackBack network, alongside 149 other organizations, to support the PackBack in Action Year 3 initiative. This collaboration reinforces the company's commitment to sustainable business practices through the PROVE: The Drive for EPR in Thailand campaign. Mr. Adisak Ruckariyaphong, Chairman of the Board and Head of Sustainability, participated in this initiative, which focuses on promoting Extended Producer Responsibility (EPR) through four key strategies: 1) Researching EPR-based packaging development mechanisms 2) Developing prototypes and gathering relevant data 3) Raising awareness about proper packaging waste management and EPR systems 4) Expanding collaboration with manufacturers to establish a circular packaging ecosystem tailored to Thailand's needs. By implementing these strategies, the initiative aims to enhance packaging waste recycling, minimize environmental impact, and reduce greenhouse gas emissions in alignment with sustainability goals.

(5) Sappe has signed the CEO Statement of Support for the Women's Empowerment Principles (WEPs), an initiative by UN Women and the UN Global Compact. Currently, over 6,500 businesses worldwide have joined as WEPs Signatories, demonstrating their commitment to fostering gender equality and women's empowerment. Through this commitment, Sappe promotes a corporate culture and business practices that emphasize gender equality, diversity, and inclusivity in the workplace. Additionally, Sappe participated in the "Ring the Bell for Gender Equality" annual event, a global initiative that mobilizes businesses to advance gender parity and celebrate the economic, political, and social achievements of women. The company took part in this event in 2023 and 2024 at the Stock Exchange of Thailand, reaffirming its dedication to equal opportunities for all.

(6) Sappe is a member of the Thai Private Sector Collective Action Against Corruption (CAC), an initiative founded through the collaboration of leading business organizations, including the Thai Chamber of Commerce, the Joint Foreign Chambers of Commerce in Thailand, the Thai Listed Companies Association, the Federation of Thai Industries, the Thai Capital Market Business Council, the Thai Bankers' Association, the Tourism Council of Thailand, and the Thai Institute of Directors Association. By joining CAC, Sappe demonstrates its commitment to transparent business practices and ethical governance, reinforcing its stance against corruption and promoting integrity in the private sector.

(7) Sappe participated in the Choose France Summit 2023, an exclusive event hosted by French President Emmanuel Macron at the Palace of Versailles. This high-profile summit brought together 200 top global investors

and business leaders to explore investment opportunities in France. Sappe was honored to be one of only six companies from Asia invited to the event, recognizing its global success as a Thai brand, particularly in France, where Mogu Mogu has become a widely popular beverage. This achievement highlights Sappe's international growth and serves as an inspiration for other Thai businesses striving to establish a global presence. Additionally, Sappe took part in the France-Thailand Business Forum 2024, a government-driven initiative led by Thai Prime Minister Srettha Thavisin and President Emmanuel Macron. The forum focused on enhancing trade and investment cooperation between the two nations, particularly in defense, Soft Power industries, and strategic partnerships outlined in the France-Thailand Roadmap.

(8) Sappe is a member of the Thai Beverage Industry Association, actively contributing to the development and execution of industry strategies and initiatives. The company collaborates with key stakeholders to enhance the beverage sector, ensuring its success and long-term sustainability. Through this membership, Sappe plays a role in facilitating effective cooperation between government agencies and industry players, driving innovation and promoting best practices within the Thai beverage industry.

(9) Sappe participated in the IPHA Standard Assessment, a certification jointly developed by the Federation of Thai Industries, the Ministry of Public Health, and the Ministry of Industry. This standard evaluates facility management, production processes, and workforce practices to ensure compliance with joint measures and hygiene standards. By undergoing this assessment, Sappe reaffirms its commitment to high-quality production standards and best practices in hygiene and safety, strengthening its position as a responsible and sustainable business.

(10) Sappe participated in THAIFEX-ANUGA ASIA, one of Asia's largest and most comprehensive food and beverage trade exhibitions, organized annually by the Department of International Trade Promotion (DITP), the Thai Chamber of Commerce (TCC), and Koelnmesse. This event serves as a global platform for building international partnerships and elevating Thailand's food and beverage industry, contributing to the country's GDP and strengthening its position as a regional food hub. At THAIFEX 2024, Sappe's booth attracted strong interest from local and international customers, investors, and business partners, facilitating numerous business discussions and product acquisitions. The booth was designed under the "Mission to Mars" concept, showcasing the company's visionary approach and innovations in food and beverage. During the event, Sappe officially announced SEVENTEEN, the world-renowned boy band, as the First Global Brand Ambassador for Mogu Mogu, the fruit juice with nata de coco that is now sold in 100 countries. This partnership aims to expand the brand's global consumer base and enhance engagement worldwide, receiving an overwhelmingly positive response from Mogu Mogu and SEVENTEEN fans across the globe.

(11) Sappe actively shares knowledge and inspires sustainable business practices in collaboration with the Department of International Trade Promotion (DITP), the Ministry of Commerce, the National Productivity Institute, and the Office of Small and Medium Enterprise Promotion (OSMEP).

(12) The company is also committed to nurturing young talent by providing educational support through trainings, workshops, seminars, curriculum development, internships, site visits, coaching, and competition judging. Sappe collaborates with leading academic institutions, including Thammasat University, Srinakharinwirot

University, the University of the Thai Chamber of Commerce, and the National Institute of Development Administration (NIDA).

3.7 Legal Disputes Related to Sustainability

From past operations to the present, the company has not encountered any legal disputes related to sustainability. A thorough risk assessment has confirmed that there are no foreseeable legal issues that could lead to lawsuits, fines, or penalties. As a result, the company does not need to allocate a budget for legal contingencies in this area. However, Sappe remains committed to strict compliance with sustainability principles, continuously working to prevent any potential legal risks in the future.

4. Management Discussion and Analysis: MD&A

Overview of the Thai Economy in 2024 and Outlook for 2025

The Office of the National Economic and Social Development Council (NESDC) reported that Thailand's economy in 2024 rebounded from the slowdown of the previous year, with GDP growth at 2.5%, up from 2.0% in 2023. While this growth remains below pre-pandemic levels, it reflects a positive trend, driven by private consumption and exports. However, private sector investment contracted due to global economic uncertainty and high interest rates, while inflation significantly declined due to lower oil and food prices.

Thailand's Economy in 2024: Key Drivers and Figures

1. Private Consumption as the Main Growth Driver

- Private consumption grew by 4.4%, compared to 6.9% in 2023.
- Supported by government stimulus measures, such as consumer spending incentives and cost-of-living assistance.
- The unemployment rate dropped to 1.0%, the lowest level in years.

2. Export Recovery After Last Year's Slowdown

- Export value increased by 5.8%, reaching approximately \$297 billion.
- Boosted by the recovery of electronics (+22.6%) and processed food exports (+6.9% to 14.7%).
- Major importers of Thai goods included the United States (+13.7%), CLMV countries (+12.7%), and the European Union (+10.2%).

3. Private Investment Slowed Amid Uncertainty

- Private sector investment contracted by -1.6%, down from +3.1% in 2023.
- Affected by high financing costs, with the policy interest rate remaining at 2.50%, despite a Q4 cut to 2.25%.
- Public sector investment expanded by 4.8%, driven by infrastructure projects such as high-speed rail and mass transit systems.

4. Inflation Remained Low

- Headline inflation averaged 0.4%, down from 1.2% in 2023.
- Core inflation stood at 0.6%, reflecting weak purchasing power.
- The average crude oil price across four major markets was \$72.8 per barrel, down 2.8% from the previous year.

5. Tourism as a Key Economic Driver

- International tourist arrivals reached 35.5 million, a 26.3% increase from the previous year.
- Tourism revenue grew by 31.1%, reaching THB 2.48 trillion.

Thailand's Economic Outlook for 2025: Opportunities and Challenges

The Thai economy is expected to continue growing in 2025, with projected GDP growth between 2.3% and 3.3%, with a median estimate of 2.8%. The main growth drivers will be domestic consumption and exports, which are expected to remain strong.

1. Private Consumption Remains a Key Driver

- Expected to grow by 3.3%, though slightly slower than in 2024.
- Supported by a strong labor market and potential minimum wage increases.

2. Exports Expected to Expand by 3.5%

- Driven by increased demand for industrial goods in major markets.

3. Private Investment Likely to Recover

- Expected to grow by 3.2%, led by investment in target industries such as electronics, processed food, and clean energy.
- Supported by large-scale infrastructure projects.

4. Inflation Expected to Rise Slightly

- Forecasted at 0.5% to 1.5%, remaining at a manageable level.
- Influenced by potential cost-of-living increases and rising prices of certain goods.

5. Current Account Balance Remains Positive

- Expected to maintain a surplus of 2.5% of GDP, supported by recovering tourism and exports.

Key Risks to Watch in 2025

- Global Economy and Trade: Trade wars and economic slowdowns in key regions could impact demand for Thai exports.
- Household and Business Debt: Thailand's high household debt-to-GDP ratio may limit consumer spending.
- Exchange Rates and Interest Rates: Currency fluctuations and Bank of Thailand's policy decisions could affect financial costs for businesses.

In conclusion, Thailand's economy showed a gradual recovery in 2024, with continued growth expected in 2025. However, external and internal risks remain. Businesses should closely monitor global economic conditions, interest rate policies, and domestic consumption trends to adapt their strategies in a rapidly changing economic environment.

Management Discussion and Analysis (MD&A)

Operational and Financial Performance Overview

Performance and Financial Position

According to the consolidated financial statements for 2024, Sappe Public Company Limited and its subsidiaries recorded total sales revenue of THB 6,775 million, marking an all-time high since the company's establishment. This represents an 11.9% increase compared to the previous year, primarily driven by the strong growth in international sales, particularly in Asia, the Middle East, and the Americas. The company's ability to expand distribution channels in foreign markets—especially through modern trade retailers with nationwide networks—significantly contributed to this growth. Additionally, domestic sales growth and the launch of 26 new products in both domestic and international markets over the past 12 months further supported revenue expansion.

In 2024, the cost of sales as a percentage of revenue stood at 53.6%, reflecting a 1.6 percentage point decrease from the previous year. This improvement resulted from enhanced production efficiency, a partial decline in packaging costs, and the depreciation of the Thai baht, which benefited sales in foreign currencies. These factors collectively contributed to a lower cost-to-sales ratio, improving overall profitability.

Selling and administrative expenses (SG&A), excluding foreign exchange gains/losses, amounted to THB 1,854 million, representing a 23.7% increase from THB 1,499 million in the previous year. The rise was mainly due to higher export costs, driven by the global container shortage. However, the company was able to pass these increased costs on to international customers, which was recognized under other income.

Despite increased expenses, sales and marketing costs remained well within budget, accounting for 13.3% of total sales revenue, ensuring effective sales stimulation both domestically and internationally. As a result, net

profit attributable to the parent company reached THB 1,253 million, marking a 16.6% increase from the THB 1,074 million net profit in the previous year.

Revenue from Sales of Goods

During 2021-2024, the sales revenue was geographically analyzed in the following table:

Sales Contributions	2024		2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Total	6,775.4	100.0	6,052.6	100.0	4,566.4	100.0	3,444.2	100.0
Domestic	1,371.7	20.2	1,151.8	19.0	1,055.0	23.1	1,209.9	35.1
International	5,403.7	79.8	4,900.8	81.0	3,511.4	76.9	2,234.3	64.9

The company recorded total sales revenue of THB 6,775 million this year, marking an all-time high, with an 11.9% increase compared to the previous year. This growth was driven by higher sales revenue from both international and domestic markets.

International sales revenue reached THB 5,404 million, reflecting a 10.3% increase year-over-year. This expansion was achieved through the company's ability to grow its customer base across multiple modern trade retail channels. The most popular products in international markets included Mogu Mogu coconut jelly beverages and Sappe Aloe Vera Drink. Sappe now exports to over 100 countries worldwide, with noticeable sales growth in key regions compared to the previous quarter, including 195.8% in the Middle East, 11.5% in Asia, and 2.5% in the Americas. Over the past 12 months, the company launched 10 new products to support its expansion. Despite Q4 being a low season for the beverage industry, Sappe continued to grow in Q4 2024 compared to the same period last year, driven by consistent order inflows and the expansion of distribution channels to new customer segments.

Domestic sales revenue totaled THB 1,372 million, representing an 19.1% increase from the previous year. This growth was primarily fueled by strategic marketing initiatives for Sappe Beauti Drink, Sappe Beauti Powder Stix, and B'lue, which effectively targeted the right consumer segments and sales channels. Additionally, the sales growth of All Coco Group's coconut water and coconut-based products contributed to the strong performance. Over the past 12 months, 16 new products were introduced to strengthen the company's core brands. Sappe also placed a strong emphasis on online and e-commerce marketing, recognizing the significant potential and long-term growth opportunities in this segment.

Product Category	2024		2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
1. Functional Beverage	936.0	13.8	524.8	8.7	478.7	10.5	541.4	15.7
2. Fruit Juice/Juice Drink	5,339.6	78.8	5,046.6	83.4	3,718.8	81.4	2,468.7	71.7
3. Functional Powder	319.9	4.7	270.6	4.5	212.5	4.7	242.6	7.0
4. Healthier Snack	173.3	2.6	205.9	3.4	127.8	2.8	144.1	4.2
5. Supplement and Others	6.6	0.1	4.6	0.1	28.6	0.6	47.4	1.4
Total	6,775.4	100.0	6,052.6	100.0	4,566.4	100.0	3,444.2	100.0

Other Income

During **2021–2024**, other revenue can be categorized as shown in the following table.

Other Income	Consolidated Financial Statements							
	2024		2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Transportation Income	155.7	60.3	67.4	46.2	286.5	86.0	232.4	86.5
Interest	8.0	3.1	3.8	2.6	3.5	0.9	1.7	0.6
Scrap material selling	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1
Others	94.4	36.6	74.6	51.2	43.1	13.1	34.2	12.8
Total other income	258.2	100.0	145.8	100.0	333.1	100.0	268.6	100.0

During 2021–2022, shipping revenue increased significantly due to a surge in international freight rates, leading to higher shipping service charges for some international customers. This occurred because the company was able to secure lower freight rates compared to those customers could obtain on their own, allowing for cost recovery later.

In 2023, these shipping costs declined, but in 2024, they rose again in line with the global shipping industry trends. However, the situation has not escalated to the crisis levels experienced in 2021–2022.

As a result, both international shipping costs and other revenue increased in tandem, balancing each other out. This had no negative impact on the company's net profit.

Cost of Goods Sold and Gross profit

The **gross profit margin** during **2021–2024** is as shown in the following table

	Consolidated Financial Statements							
	2024		2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	6,775.4	100.0	6,052.6	100.0	4,566.4	100.0	3,444.2	100.0
Cost of Goods Sold	3,631.8	53.6	3,341.4	55.2	2,702.9	59.2	2,089.1	60.7
Gross Profit	3,143.6	46.4	2,711.2	44.8	1,863.5	40.8	1,355.1	39.3

The cost of goods sold (COGS) ratio in 2024 stood at 53.6% of sales revenue, reflecting a decrease of 1.6 percentage points compared to the previous year. This decline was partly driven by external factors, including lower packaging costs and the depreciation of the Thai Baht against foreign currencies over the past year.

On the internal operations side, the company has consistently focused on improving machine efficiency and human resource management over the past four years. Initiatives such as Production & HR Planning, Solar Rooftop, Solar Floating, and the integration of Machine Learning in the Quality Control process have contributed to cost savings, which are fully realized in 2024. The company remains committed to implementing ongoing cost reduction initiatives in the future.

Selling and Administrative Expenses

The company's selling expenses accounted for 19.2% of sales revenue this year, an increase of 2.9 percentage points from the previous year's 16.3%. This rise was primarily due to higher export costs resulting from the global container shortage. However, these additional costs were passed on to international customers and recognized as other income.

Regarding specific expenses for supporting sales and marketing channels both domestically and internationally (excluding export transportation and logistics costs), the company effectively managed its budget to enhance brand awareness, expand its consumer base, and drive engagement and loyalty among target consumers. These efforts accounted for 13.3% of sales revenue, contributing not only to short-term sales growth but also to long-term brand development.

Overall, the company maintained effective control over selling expenses throughout the year, ensuring optimal budget efficiency. Administrative expenses for the year amounted to THB 556 million, or 8.2% of sales revenue, a slight decrease from the previous year's 8.5%. This reduction was due to sales growth outpacing the increase in administrative expenses.

	Consolidated Financial Statements							
	2024		2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Selling Expense	1,298.1	19.2	986.4	16.3	982.8	21.5	759.9	22.1
Administrative Expense	556.1	8.2	512.2	8.5	383.3	8.4	318.3	9.2
Total Selling and Administrative Expenses	1,854.2	27.4	1,498.6	24.8	1,366.1	29.9	1,078.2	31.3
Sales Revenue	6,775.4	100.0	6,052.6	100.0	4,566.4	100.0	3,444.2	100.0

Financial Cost

In 2024, the company incurred financial costs of THB 2.1 million, a decrease from the previous year's financial costs of THB 2.6 million.

Corporate Income Tax

In 2024, the company incurred corporate income tax expenses of THB 297.9 million, representing 19.0% of profit before income tax expenses.

Share of Profit (Loss) of Associates and Joint Ventures

The company recognized a share of loss from associates and joint ventures amounting to THB 1.2 million. This loss was primarily attributed to investments in WOPE Co., Ltd. (THB 0.9 million loss, based on a 60.0% shareholding) and M Intelligence Co., Ltd. (THB 0.7 million loss, based on a 16.2% shareholding). However, the company recorded a profit from its investment in Danone Sappe Beverages Co., Ltd. (THB 0.4 million profit, based on a 25.0% shareholding).

Net Profit (loss) Attributable to Owners of Parent Company

The net profit attributable to the parent company in 2024 amounted to THB 1,253 million, marking the highest net profit since the company's establishment. This represents 18.5% of sales revenue, reflecting a 16.6% growth compared to the previous year's net profit of THB 1,074 million.

Financial Position Analysis

Assets

As of the end of 2024, the total assets of the company and its subsidiaries amounted to THB 5,920.8 million, comprising THB 2,697.6 million in current assets and THB 3,223.2 million in non-current assets. This represents an increase of THB 240.6 million or 4.2% compared to THB 5,680.2 million in 2023.

The increase in total assets was primarily driven by investments in land, buildings, and equipment for procurement, construction, and installation projects, including an automated warehouse, a new production line, and a new beverage packaging line. Meanwhile, there was a partial decrease in cash and cash equivalents, as well as investments in debt mutual funds.

Liabilities

As of the end of 2024, the total liabilities of the company and its subsidiaries amounted to THB 1,429.9 million, consisting of THB 1,292.1 million in current liabilities and THB 137.8 million in non-current liabilities. This represents a decrease of THB 354.5 million, or 19.9%, compared to THB 1,784.4 million in 2023. The decline in total liabilities was primarily driven by a reduction in other payables.

Equity

As of the end of 2024, the total shareholders' equity of the company and its subsidiaries amounted to THB 4,490.9 million, reflecting an increase of THB 595.0 million or 15.3% compared to THB 3,895.9 million in 2023. The primary driver of this increase was the growth in retained earnings, which rose by THB 578.0 million.

Cash Flow

A summary of the cash flow statement of Sappe Public Company Limited and its subsidiaries.

	2024	2023	2022	2021
Net cash from (used in) operating activities	1,307,951,251	1,663,695,257	1,014,952,626	693,388,814
Net cash from (used in) investing activities	(381,563,578)	(868,328,754)	(792,091,491)	(215,802,827)
Net cash from (used in) financing activities	(714,781,421)	(535,326,334)	(306,667,556)	(289,372,337)
Cash and cash equivalents as of January 1	554,204,035	298,805,528	382,609,637	194,389,005
Effect from the balance of exchange rates at the end of the year	1,106,911	-	-	-
Effect from loss of control in subsidiaries.	(3,759,542)	(4,641,662)	2,312	6,982
Total cash and cash equivalents as of December 31	763,157,656	554,204,035	298,805,528	382,609,637

As of December 31, 2027, the company and its subsidiaries had a beginning cash balance of THB 554.2 million. Net cash provided by operating activities amounted to THB 1,308.0 million, primarily driven by higher net profit of THB 1,265.9 million. Key adjustments included depreciation and amortization expenses of THB 237.3 million and corporate income tax expenses of THB 297.9 million.

Net cash used in investing activities was THB 381.6 million, mainly due to investments in short-term and long-term securities totaling THB 991.0 million and capital expenditures for buildings and equipment amounting to THB 1,388.7 million.

Net cash used in financing activities was THB 714.8 million, with the main outflow being dividend payments totaling THB 670.7 million.

After accounting for all cash inflows and outflows, the company and its subsidiaries had a year-end cash balance of THB 763.2 million as of December 31, 2027.

Key Financial Ratios

Liquidity Ratio

At the end of 2024, the company and its subsidiaries maintained a liquidity ratio of 2.09 times, indicating a strong liquidity position with current assets significantly exceeding current liabilities. This reflects the company's ability to meet short-term obligations with ease, keeping its financial health in excellent condition.

Debt-to-equity (D/E) ratio stood at 0.32 times, demonstrating a solid financial structure with low reliance on external debt. This strong position provides the company with financial flexibility to secure additional funding in the future, particularly from financial institutions, if needed.

The return on equity (ROE) was 30.19% at the end of 2024, remaining close to the previous year's 28.96%, despite an increase in shareholders' equity due to higher retained earnings. This indicates the company's continued ability to generate strong returns for its shareholders.

Summary of factors that may affect future operations

Several external factors may affect the company's ability to achieve its operational targets or lead to significant changes compared to previous years:

1. Market Competition and Business Environment – The highly competitive nature of the beverage industry, both domestically and internationally, may influence the market's growth rate and impact the company's business expansion.

2. Changes in Key Importers and Distributors – Modifications in key management or significant structural changes among importers and distributors could impact the company's supply chain and market penetration strategies.

3. Raw Material Price Volatility – The fluctuation of commodity prices, particularly key raw materials such as sugar and PET resin, could affect production costs. Additionally, the cost of coconut-based products, primarily sourced through All Coco Group Co., Ltd., may vary due to seasonal market fluctuations.

4. Foreign Exchange Volatility – Given that **79.8% of the company's sales revenue** comes from exports, exchange rate fluctuations pose a risk that could impact revenue and profitability.

5. Geopolitical Risks – Ongoing geopolitical conflicts, such as the **Israel-Palestine war, Russia-Ukraine conflict, and instability in Myanmar**, could affect global trade. Additionally, trade wars, international tax adjustments, and slow economic growth projections in global and European markets may influence export demand and overall market conditions.

The company has recognized these external risks and continuously analyzes their potential impact. Strategic adjustments are made accordingly to ensure business resilience and alignment with evolving market conditions.

5. General information and other material facts

5.1 General information

Company:	Sappe Public Company Limited, a listed company in the Stock Exchange of Thailand
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:	308,289,080 Baht, divided into 308,289,080 Common shares at 1 Baht per share.
Paid-up Capital:	308,289,080 Baht, divided into 308,289,080 Common shares at 1 Baht per share.

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. Mr. Piyanat Singkhorn CPA No. 11641

2. Ms. Marisa Tharathornbunpakul CPA No. 5752

3. Ms. Sasithorn Pongadisak CPA No. 8802

KPMG Phoomchai Audit Ltd.

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

Telephone: 02-677-2000

Fax: 02-677-2222

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

3) Coordinators

1. Company Secretary: Ms. Sutatip Chantharangsee

Telephone: 02-319-4949 ext. 9709

E-mail: comsec@sappe.com

2. Company Secretary Assistant: Ms. Pimolmas Chaveworn

Telephone: 02-319-4949 ext. 2503

E-mail: comsec@sappe.com

3. Investor Relations: Mr. Chinnavit Lertbannaphong

Telephone: 02-319-4949 ext. 1805

E-mail: ir@sappe.com

5.2 Other material facts

-Nil-

5.3 Legal Dispute

In the year 2024, the Company has no significant legal disputes.

5.4 Secondary Market

the Company has listed in a stock exchange of Thailand.

2

**Corporate
Governance**

Part 2

Corporate Governance

6. Corporate Governance Policy

6.1 Overview of the Policy and Guidelines

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 2024, 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 recognizes and values the fundamental rights of shareholders, both as investors in securities and as owners of the company, such as the right to buy, sell, and transfer their securities, the right to receive a share of the company's profits, the right to access sufficient company information, the right to participate in shareholder meetings, the right to express opinions, and the right to be involved in important company decisions, including dividend allocation, the appointment or removal of directors, the appointment of auditors, the approval of significant transactions that impact the company's business direction, and amendments to the company's Articles of Association and Memorandum of Association etc.

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

1. The company will send the meeting invitation along with relevant supporting documents for each agenda item to shareholders in advance, as required by law. The invitation will specify the venue, date, time, meeting agenda, and matters to be presented. Each agenda item will include the Board of Directors' opinion. Additionally, the company will publish the meeting notice in a newspaper for at least three days before the meeting, ensuring consecutive publication for three days. The company will also make the meeting invitation available on its website to allow shareholders sufficient time to review the information in advance.

2. The company encourages all groups of shareholders, including institutional shareholders, the Board of Directors, executives, relevant parties, and auditors, to attend shareholder meetings.

3. If a shareholder is unable to attend the meeting in person, they may authorize an independent director or any other person to attend on their behalf by using a proxy form that allows them to specify voting instructions. The company will send the proxy form along with the meeting invitation.

4. Shareholders are given the opportunity to submit opinions, suggestions, or questions in advance before the meeting.

5. During the meeting, shareholders have equal rights to express opinions, provide suggestions, or ask questions on various agenda items freely before any voting takes place. Relevant directors and executives will be present to respond to inquiries, and key questions and comments will be recorded in the meeting minutes for shareholders' reference.

6. The company promotes the use of technology in shareholder meetings, such as registration systems, electronic voting, and real-time result displays, to ensure efficiency, accuracy, and transparency.

7. For the election of directors, shareholders are allowed to vote for each candidate individually on a one share, one vote basis, with approval based on a majority vote of attending and voting shareholders. This ensures that shareholders can elect representatives they consider qualified to serve as directors, fostering diversity and true shareholder representation.

8. The company encourages the appointment of independent personnel to count and verify votes during the meeting and to disclose the results to attendees while ensuring all voting records are documented in the meeting minutes.

9. For significant agenda items, such as related party transactions or asset acquisitions/disposals, the company deems it appropriate to use a voting ballot system to ensure transparency and accountability in case of any disputes after the meeting.

10. After the meeting, the company will prepare detailed meeting minutes, recording the voting process, the method of presenting voting results, the outcome of each agenda item, the names of directors who attended or were absent, and key questions raised by shareholders. The meeting minutes will be published on the company's website for shareholders to review.

Section 2 The Equitable Treatment of Shareholders

The company upholds a policy of treating all shareholders equally, regardless of whether they are major or minority shareholders, executive or non-executive shareholders, or foreign investors. To facilitate inclusivity, the company provides meeting invitations in both Thai and English and publishes them in advance on its website. Additionally, all shareholder groups are encouraged to participate by proposing significant matters for inclusion in the agenda of the company's Annual General Meeting and by nominating qualified candidates for consideration as company directors before the shareholder meeting. This allows the Board of Directors to review, screen, and prepare the proposed agenda items for inclusion in the Annual General Meeting.

The qualification of a shareholder to propose meeting agenda items follow Section 89/28 of the Securities and Exchange Act, which states that one or more shareholders holding at least 5% of the total voting rights of the company may submit a written request for the Board to include a proposed agenda item in the shareholder meeting.

The shareholder must specify the objective and details of the proposal, along with supporting information for consideration. For director nominations, shareholders must provide detailed information about the nominated individual, including relevant qualifications, experience, and consent from the nominee. The nominee must meet all qualification requirements under the Public Limited Companies Act, the Securities and Exchange Act, and regulations of the Securities and Exchange Commission (SEC), the Capital Market Supervisory Board, the Stock Exchange of Thailand (SET), and the company's bylaws. Additional company-specific criteria include possessing knowledge, expertise, and experience beneficial to the company's business, a strong track record, independence, integrity, ethical conduct, and the ability to attend board meetings regularly.

If shareholders wish to propose an agenda item for the shareholders' meeting or nominate a candidate for the Board of Directors, they must submit the details to the company in advance within the specified period. This allows the Board of Directors to review and consider including the proposal in the meeting agenda and ensures that the company can distribute the meeting invitation and related documents for shareholders' review before the meeting.

However, the company reserves the right to decline the inclusion of proposals in the meeting agenda in certain cases. These include matters related to the company's normal business operations, where no irregularities are evident; matters beyond the company's authority; and matters required by law to be presented at the shareholders' meeting, which are already included in every meeting. The company may also reject proposals that do not benefit its operations, violate laws, regulations, or announcements, or contradict the company's objectives, articles of association, shareholders' resolutions, or good corporate governance principles. Additionally, proposals may be declined if they contain incomplete or inaccurate information, if the proposing shareholder cannot be contacted for additional details, or if they have been previously proposed in the past 12 months and received less than 10% of the total voting rights without significant changes in circumstances. The company may also reject matters that have already been addressed or are repetitive, as well as cases where shareholders do not comply with the specified requirements. The company will notify shareholders of such decisions via the Stock Exchange of Thailand's news dissemination channel and the company's website.

Independent directors will review and screen proposals for inclusion in the annual general meeting agenda or Board nomination before presenting them to the Board of Directors for final consideration. The Board's decision will be final.

During each meeting, the company ensures equal opportunities for all shareholders. Before the meeting begins, the chairman will explain voting rights, vote-counting procedures, and provide an opportunity for all attendees to share opinions, ask questions, and make suggestions on each agenda item with sufficient time. The chairman will follow the meeting agenda systematically and will not restrict shareholders' rights to access publicly disclosed company information or attend the meeting. The company also has a policy of not adding agenda items without prior notice to shareholders, ensuring they have time to review relevant information before making decisions.

The company strictly governs the use of inside information to prevent abusive self-dealing and ensure fairness for all stakeholders. Clear guidelines have been established for safeguarding the company's internal information and preventing its misuse for personal gain. These guidelines are documented in written policies, which

prohibit directors, executives, and employees from trading the company's securities or engaging in any legal transactions using confidential and/or inside information in a way that could cause direct or indirect harm to the company. Additionally, directors, executives, and employees in departments handling inside information must not use such information before it is publicly disclosed. Those with access to inside information are also prohibited from trading the company's securities, either directly or indirectly, including through a nominee or personal fund, for themselves, their spouses, or their minor children. This restriction applies within one month before the public disclosure of the company's quarterly and annual financial statements and for 24 hours after the release of material information.

The company has established disciplinary measures for individuals who exploit or disclose inside information in a way that could cause harm to the company. Penalties will be determined based on the severity of the case and may include verbal warnings, written warnings, probation, and termination of employment, whether by dismissal, removal, or forced resignation, as applicable.

The company provides information to directors and executives regarding their duty to report holdings of the company's securities and the penalties prescribed under the Securities and Exchange Act B.E. 2535, as well as the regulations of the Stock Exchange of Thailand. In cases where directors or executives buy or sell the company's securities, they must report their own holdings, as well as those of their spouses and minor children, in accordance with Section 59 of the Securities and Exchange Act B.E. 2535. This report must be submitted to the Securities and Exchange Commission within three business days for public disclosure. Additionally, directors must submit a copy of the securities holdings report (Form 59-2) to the company secretary each time a report is filed with the Securities and Exchange Commission. The company secretary will compile these reports for review by the Board of Directors at each board meeting if there are any changes.

The company upholds the principle of equal treatment for all shareholders and has established transparent and verifiable guidelines for managing conflicts of interest. In cases where the company engages in related-party transactions involving directors or executives who have a vested interest or are involved in the decision-making process, such transactions must receive approval from the Audit Committee and be authorized by the Board of Directors. Directors with a conflict of interest in a particular matter will not be allowed to vote on that issue. If the related-party transaction requires disclosure or shareholder approval under the regulations of the Stock Exchange of Thailand, the company will disclose the details and rationale to shareholders before proceeding. The information to be disclosed to shareholders will include (1) the name and relationship of the related party, (2) the pricing policy, (3) the total transaction value, and (4) the opinion of the Board of Directors regarding the transaction, along with other important and relevant information.

Section 3 The Role of Stakeholders

The company places great importance on the rights of all stakeholders, including both internal stakeholders such as shareholders, executives, and employees, as well as external stakeholders such as creditors, customers, business partners, competitors, government agencies, society, communities, and the environment. The company recognizes that support and feedback from all stakeholder groups contribute to its operations and business development. Therefore, the company complies with all relevant laws and regulations to ensure that stakeholders' rights are well protected. Additionally, in conducting its business, the company considers the rights of all stakeholders according to the following guidelines.

Employees: The company acknowledges that employees are valuable assets of the organization. It is committed to continuously developing employees' potential by enhancing their skills, knowledge, and capabilities while providing equal opportunities for career advancement and fair compensation. The company also ensures a high quality of life, workplace safety, and occupational health standards. Moreover, the company upholds human rights principles, has a strict non-discrimination policy, and provides equal opportunities for all employees. Employment decisions are made without regard to race, skin color, gender, religion, nationality, or political views, ensuring that all employees are treated fairly and equitably.

Shareholders: The company is committed to treating all shareholders equally, safeguarding their interests, and refraining from any actions that would violate or diminish their rights. It respects shareholders' rights to access company information by ensuring the accurate and reliable disclosure of operational performance and financial status. Additionally, the company strives for sustainable growth to enhance corporate value and generate long-term benefits for shareholders.

Customers: The company is committed to treating customers with honesty and fairness, ensuring their satisfaction and confidence. It is dedicated to providing attentive service and taking full responsibility for customers by delivering high-quality, safe products and services at reasonable prices in accordance with established standards. The company strictly adheres to all terms and agreements with customers while continuously improving product and service standards. It maintains strong and long-term relationships with customers in a sincere and consistent manner. Additionally, customer information is kept strictly confidential and is not used for the benefit of the company or any related parties.

Business partners and Creditors: The company is committed to equality, fairness, and integrity in its business operations, ensuring that it does not take advantage of others. It upholds mutual interests with business partners and creditors while adhering to ethical business practices. The company does not solicit, accept, or offer any improper benefits in business dealings. To enhance efficiency in procurement and contracting, the company has established an approval framework for procurement within specified financial limits. Additionally, the company strictly complies with all terms and conditions outlined in contracts and agreements with business partners and creditors.

Competitors: The company is committed to fair competition, adhering to ethical business practices and laws governing trade competition. It upholds the principles of equal and fair competition and does not engage in agreements with competitors or any parties that may reduce or restrict market competition. Additionally, the company refrains from harming the reputation of competitors through false accusations, defamation, or unfounded attacks, and does not engage in any unfair competitive practices.

Public Sector: The company places great importance on transparency and integrity in its interactions and transactions with government officials and agencies. It strictly adheres to ethical and legal standards to prevent any actions that may improperly influence government officials or lead to inappropriate conduct that conflicts with good governance principles.

Community and Society: The company has a policy of supporting and providing appropriate assistance to society and local communities, particularly those surrounding its operational sites. It actively collaborates in compliance with international standards and agreements on various social initiatives.

Environment: The company recognizes the importance of minimizing the environmental impact of its business operations. It actively cooperates in reducing waste and by-products from both production processes and general usage through proper waste management methods. Additionally, the company is committed to conserving natural resources and ensuring the efficient and effective use of resources, equipment, and raw materials.

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.

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 Form 56-1 One 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 2024 can be summarized as follows:

- Quarterly Analyst Meetings: The company held four analyst meetings to present its quarterly performance. (1) On March 4, 2024, analysis reports were published by 14 securities firms. (2) On May 20, 2024, analysis reports were published by 18 securities firms. (3) On August 19, 2024, analysis reports were published by 13 securities firms. (4) On November 19, 2024, analysis reports were published by 9 securities firms.

Additionally, the company participated in the "SET Opportunity Day" event, organized by the Stock Exchange of Thailand, four times—one per quarter—and held its Annual General Meeting (AGM) on April 18, 2024.

- Investor Roadshows: The company participated in Investor Roadshows organized by leading financial institutions both domestically and internationally, totaling 10 events. It also conducted Company Visits 27 times, providing information to both retail and institutional investors from Thailand and abroad.

- Conference Calls: The company conducted 34 conference calls to provide updates to investors. In cases where senior executives were unavailable due to other commitments, the Investor Relations team was assigned to ensure that investors, both domestic and international, received regular and accurate information.

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 benefit the company. They play an important role in shaping the organization's policies, business plan & overview. The company's business plan is aligned with the company's business strategy through board skill matrix preparation and a variety of educational backgrounds, experiences, without limiting any other differences. In addition, they also play an important role in governance, audit and evaluate the company's performance and ensure the company conducts business in accordance with the law, regulations and resolutions of shareholders' meetings with honesty and ethics. This includes ensuring that the management's supervision is in accordance with the goals and established guidelines and brings maximum benefits to the company and its 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 2024, the Company's Board of Directors consists of nine members with five non-executive directors, four 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) Senior advisor (Project & Technology), 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 Chairman of Executive Committee 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.

2. 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 2024, 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.

3. 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.

4. 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.

5. 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.

6.2 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.

The company has formally announced and communicated these guidelines to all directors, executives, and employees, requiring strict adherence. Compliance with these principles is expected at all levels of the organization. The Board of Directors oversees and ensures enforcement by reviewing the Business Code of Conduct at least once a year.

In the last year, the company has not received any complaints related to the violation of the code of conduct.

6.3 Material changes and developments regarding policy, guidelines, and corporate governance system in the preceding year

The company regularly reviews its policies, practices, and corporate governance systems to improve its standards and ensure alignment with the requirements established by the Securities and Exchange Commission of Thailand for listed companies. This involves adhering to the criteria outlined in the Corporate Governance Report of Thai Listed Companies (CGR) project by the Thai Institute of Directors Association (IOD), and meeting the evaluation standards for membership in the Thai Private Sector Coalition Against Corruption (CAC). Notably, the company announced its intention to join the Thai Private Sector Coalition Against Corruption (CAC) and officially became a member in 2020.

In 2024, the company achieved a significant milestone, receiving its first SET ESG Rating at the 'A' level, as evaluated by the Stock Exchange of Thailand. Additionally, the company attained a Corporate Governance (CG) Score of 86%, an improvement from the previous year, placing it in the "Very Good" (4-star) category, as assessed by the Thai Institute of Directors (Thai IOD). Furthermore, the company achieved a 100% score in the AGM Checklist, an assessment of the quality of the Annual General Meeting, conducted by the Thai Investors Association (TIA). These recognitions reflect the company's firm commitment to good corporate governance and its dedication to driving sustainable growth.

The company recognizes the importance of ethical business practices and professional integrity. It has compiled and established a Code of Conduct along with ethical guidelines to ensure business operations are conducted with transparency, integrity, and legal compliance, while also committing to social and environmental responsibility in alignment with sustainable development principles. This approach fosters a balanced and sustainable coexistence between society, the environment, and business growth. Currently, the company has implemented a Supplier Code of Conduct, Tax Policy, and Human Rights Policy, all of which have been published on the company's website.

6.4 Prevention of Conflicts of Interest, Governance of Insider Information, and Internal Control Systems

1. Conflicts 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 and Form 56-1 One report.

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.

2. The use of internal information and maintaining confidentiality

In supervision of the use of internal 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 prior to the publication of financial statements and within 24 hours after such information is revealed which is set to prevent the misuse of internal information. In 2024, the company did not commit any violations regarding the use of internal information.

3. 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 mis conduction, 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 2023 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.

6.5 Anti-Corruption

The company has a strict anti-corruption policy and has established written guidelines prohibiting the solicitation, acceptance, payment, or engagement in business with individuals or entities involved in corruption. In addition, the company became a member of the Thai Private Sector Collective Action Against Corruption (CAC) in 2020. It successfully renewed its membership for the first time on September 30, 2023, with the current membership valid until September 30, 2026 (a three-year term). This reflects the company's ongoing commitment to ethical business practices and corporate integrity.

Additionally, in 2024, the company did not have any reported cases of corruption-related wrongdoing.

6.5.1 Whistleblowing and Complaint Channels

The company provides multiple whistleblowing and complaint channels for stakeholders to report concerns and submit feedback through email, telephone, and online platforms. All reports and suggestions are collected, reviewed, and forwarded to senior management and the company for evaluation, ensuring appropriate resolutions and corrective actions.

Additionally, the company has established clear guidelines to monitor and mitigate risks related to fraud and corruption, ensuring that such risks are effectively controlled and managed. Existing tools, such as the Company's Delegation of Authority Manual, define the roles and responsibilities of each department, while budget approvals for various matters must follow a structured approval process, requiring authorization from the respective department heads.

Stakeholder Contact Channels: The company provides opportunities for stakeholders to communicate, share opinions, submit complaints, report misconduct, and participate in providing feedback through various channels as follows.

- **Employees:** The company has established a policy allowing employees to submit grievances or complaints through their direct supervisor, the Human Resources Manager, or any member of the Board of Directors. Complaints can be made verbally, in writing, or through appropriate digital channels such as the Line or Facebook applications. For convenience, the company has placed complaint and suggestion boxes within the office and factory, managed by the Human Resources Department. These boxes are opened once a month to review and filter issues, identify relevant parties, and escalate matters to the respective management teams for further consideration. In cases

where a letter is addressed to the Chief Executive Officer (CEO), it will be delivered directly to the CEO without being opened.

- General Public: The company allows the general public to express opinions, submit complaints, or report misconduct directly to the Chairman of the Audit Committee through the Head of Compliance and Regulatory Affairs via the following channels.

1. Mail addressed to:

Chairman of the Audit Committee through the Head of Compliance and Regulatory Affairs

Sappe Public Company Limited

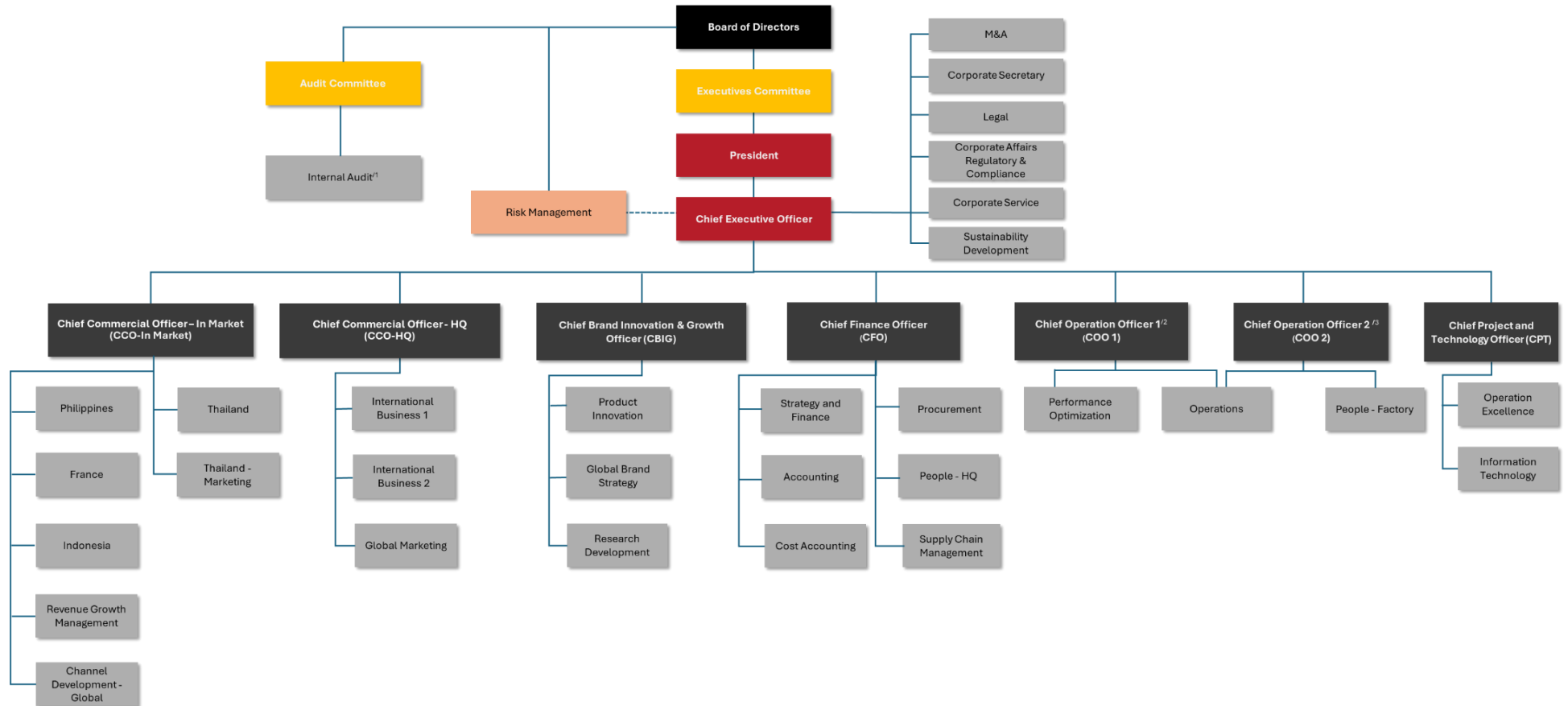
71 SP Arcade Building, 3rd Floor, Hua Mak Sub-district, Bang Kapi District, Bangkok 10240

2. Email: compliance@sappe.com

In 2024, the company did not receive any complaints related to fraud, corruption or violations of its corporate governance policies.

7. Corporate governance structure and significant information related to the Board of Directors, sub-committees, executives, employees and others

7.1 Corporate Governance Structure (As of 31 December 2024)



Remark : ¹ P&L Corporation Co., Ltd. was hired as an internal audit company in each quarter of 2023

² Chief Operating Officer I is responsible for Production efficiency and ³ Chief Operating Officer II is responsible for Production quality and people development.

7.2 Information on the Board of Directors

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.

7.2.1 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 2024, the Board of Directors consisted of 9 people as follows:

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

Remark: The proportion of female director accounts for 22% of the total number of directors on the Board.

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 9 people, appropriate for size of the business, including 5 non-executive directors. There are 4 independent directors which amount to one-third of total directors.

However, the company recognizes the importance of gender diversity and has set a target to achieve a female board representation of at least 30% by 2026.

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.

Terms 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.

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.

7.3 Information on subcommittees

7.3.1 Audit Committee

As of 31 December 2024

	Name	Position
1.	Mr. Surath Pralongsil	Chairman
2.	Mrs. Niratchara Siriamphunkul	Member
3.	Mr. Chanin Archjananun	Member

Remark : The proportion of female director accounts for 33% of the total number of Audit Committee members.

Mr. Surath Pralongsil and Mr. Chanin Archjananun are 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.

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. Supervise and review to ensure that the company maintains an appropriate and robust internal control system to mitigate corruption risks. This includes overseeing and monitoring compliance with the company's anti-corruption measures and reporting to the Board of Directors.
8. 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.
9. 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.

10. 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 2024 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.

7.3.2 Executive Committee

As of 31 December 2024, the executive committee consisted of 5 people 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

Remark : The proportion of female director accounts for 20% of the total number of Executive Committee members

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.

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.

7.3.3 Risk Management Working Group

The company has a team dedicated to managing risks. This team coordinates between different departments, helps ensure effective risk management across the organization, and reports directly to the Board of Directors.

Composition of the Risk Management Working Group

The Risk Management Working Group comprises representatives from each department, with the Chief Executive Officer (CEO) serving as the chairman. In cases where someone other than the CEO is appointed as chairman, the Board of Directors will make the appointment. The chairman of the Risk Management Working Group is responsible for appointing, removing, or changing members of the group as necessary to effectively manage risks. Additionally, the chairman appoints one employee to serve as the secretary of the Risk Management Working Group.

Scope of Authority, Duties, and Responsibilities of the Risk Management Working Group

1. Evaluate and review the organization's risk management policy and framework in alignment with the company's objectives.
2. Assess and determine acceptable levels of risk.
3. Develop comprehensive risk management guidelines, including effective communication of risks during crises that may impact the product and company image. Continuously raise awareness of risks and risk control measures across all departments. Provide recommendations on organizational risk management to be presented to the CEO and Board of Directors.
4. Ensure compliance with risk management policies and guidelines across the company.
5. Oversee departmental efforts to establish and maintain an efficient system or process for managing risks.
6. Regularly update the Board of Directors on the status of enterprise risk management operations.
7. Enhance and refine the organization's risk management processes. Act as a central point of contact and advisory for various departments on risk management issues. Serve as a coordinator to facilitate compliance with risk management policies and guidelines throughout the organization.
8. Collaborate with the CEO and Board of Directors to support personnel development and foster ongoing awareness of risks and controls throughout the organization.
9. Gather and analyze risk information for each department, including the creation of risk profiles annually. Prioritize risks and advocate for essential risk management initiatives for the company and individual departments. Provide regular reports on risk assessment and performance results according to the risk management plan to department managers, the CEO, and the Board of Directors, at least quarterly.

7.4 Information on executives

7.4.1 Management Team

As of 31 December 2024, the management team consisted of 8 people 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 Project and Technology Officer
5.	Mr. Anak Lapsuksatit	Chief Finance Officer and Chief Operation Officer 1
6.	Mrs. Yata Onin	Chief Brand Innovation & Growth Officer
7.	Ms. Kanyaporn Skutalakul	Chief Operation Officer 2 and Chief Commercial Officer - HQ
8.	Mr. Carlos L. Diaz Rigby	Chief Commercial Officer - In Market

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

7.4.2 Remuneration policy for directors and executives

The company has a policy of providing fair and appropriate remuneration for directors and executives, ensuring a balance between the company's interests and individual compensation. The remuneration structure considers the company's performance, alignment with industry standards, and the ability to motivate and retain high-quality leadership. Compensation is determined based on the roles and responsibilities of each director and executive. The remuneration for Board members, including independent directors and Audit Committee members, must be approved by the shareholders' meeting with a vote of at least two-thirds of the total votes of the shareholders present at the meeting.

Regarding the remuneration of the Chief Executive Officer (CEO), the Board of Directors is responsible for reviewing and approving the performance evaluation criteria and annual compensation framework. The Board also annually reviews and approves the CEO's remuneration, ensuring that it aligns with the company's performance and serves as a reward for contributions made in accordance with the Board's directives.

The evaluation criteria are based on key performance indicators (KPIs), including financial performance and other sustainability-related indicators. These include enhancing corporate governance to the highest possible standard in accordance with the Thai Institute of Directors' guidelines, as well as strengthening employee engagement to foster a higher sense of ownership and commitment within the organization. These KPIs are designed to drive the company toward sustainable long-term growth in line with its strategic objectives.

The company exercises caution in determining executive compensation, ensuring that it remains at an appropriate and competitive level within the industry. This approach helps attract and retain high-quality executives. Executives who take on additional responsibilities will receive a corresponding increase in compensation, reflecting their expanded roles and duties.

7.4.3 Total amount of the remunerations of executives.

(1) Monetary Remuneration

In 2023 and 2024, the Company paid remuneration to executives as follows.

Remuneration	2024		2023	
	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.	8	273.13	7	129.74

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

On March 1, 2024, the Company's Board of Directors resolved to approve the Employee Joint Investment Program (EJIP). The Board deemed this project as an investment endeavor aimed at periodically acquiring the Company's accumulated shares. This initiative serves as a form of compensation for the company's executives and employees. The program will be managed by Phillip Securities (Thailand) Public Company Limited, a securities firm appointed to oversee its operations. Participant savings, in conjunction with company contributions, will be utilized to purchase Sappe shares on the Stock Exchange of Thailand as per the specified dates set by the company each month.

7.5 Information on employees

(1) Number of employees

As of December 31, 2023, and 2024, the company and its subsidiaries had a total of 549 and 568 full-time employees, respectively, excluding directors and executives as specified in Section 7.4.1 Management Team. The number of temporary employees was 31 (accounting for 5.34% of the total workforce) and 27 (accounting for 4.54% of the total workforce), respectively. The employees can be categorized by department as follows:

	Number of Employee (Person) as of			
	31 December 2024		31 December 2023	
	Full-Time	Temporary	Full-Time	Temporary
Sappe Public Company Limited	568	27	549	31
Research and Development	15	-	14	-
Product innovation	16	-	19	-
Online Market	10	-	8	-
Domestic Sales	15	-	22	-
International Business	26	-	22	-
Strategy and Finance	29	-	28	-
Corporate Affairs	48	-	48	-
Transportation and Warehouse	50	-	50	-
Operations	349	27	330	31
Information Technology	10	-	8	-
Subsidiaries	-	-	-	-
Sappe Holding (Thailand) Company Limited	-	-	-	-

	Number of Employee (Person) as of			
	31 December 2024		31 December 2023	
	Full-Time	Temporary	Full-Time	Temporary
Indirect Subsidiaries	168	-	152	-
Sappe Trading (Hong Kong) Company Limited	-	-	-	-
Sappe Hong Kong Company Limited	-	-	-	-
Sappe Trading (Shanghai) Company Limited	-	-	-	-
All Coco Group Company Limited	151	-	137	-
All Coco Company Limited	-	-	-	-
K Best Farm Company Limited	16	-	15	-
Sappe Philippines Corporation	1	-	-	-

Personnel sorted by location (excluding directors and executives as in 7.4.1) were as follows:

Location	Number of Employee Sorted by Location			
	31 December 2024		31 December 2023	
	No. of persons	(%)	No. of persons	(%)
Corporate Office	172	30	169	31
Factory	396	70	380	69
Total	568	100	549	100

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

Gender	Number of Employee Sorted by Location			
	31 December 2024		31 December 2023	
	No. of persons	(%)	No. of persons	(%)
Male	290	51	260	48
Female	278	49	289	52
Total	568	100	549	100

Age	Number of Employee Sorted by Location			
	31 December 2024		31 December 2023	
	No. of persons	(%)	No. of persons	(%)
Lower than 30 years	149	26	174	32
30-50 years	371	65	334	61
Higher than 50 years	48	9	41	7
Total	568	100	549	100

Level of position	Number of Employee Sorted by Location			
	31 December 2024		31 December 2023	
	No. of persons	(%)	No. of persons	(%)
Officer	435	77	418	77
Division manager	99	17	101	18
Assistant Vice President	12	2	12	2
Vice President and higher	22	4	18	3
Total	568	100	549	100

Additionally, the company has employed two foreign executives and remains committed to creating job opportunities for persons with disabilities by continuously supporting their employment. In 2024, the company employed four persons with disabilities, representing 0.70% of the total workforce.

The company actively supports local employment by hiring individuals from the surrounding communities, enabling them to earn a stable income while staying with their families without the need to relocate. In 2024, the company employed 160 local workers, accounting for 28.17% of the total workforce. These employees reside in communities near the company's factory.

Resignation rate of employees at the executive level were as follows:

Resignation rate		
2024 (%)	2023 (%)	Target (%)
0.54	1.38	Less than 5%

In 2024, the executive turnover rate was 0.54%, well within the company's target of keeping the executive turnover rate below 5%. The company successfully met this objective for the year. For factory and office staff, the total number of resignations in 2024 was 50 employees from the factory and 29 employees from the office.

(2) Remuneration of Employees

In 2023 and 2024, the company paid a total of THB 334.51 million and THB 547.94 million, respectively, in employee compensation. This includes salaries, overtime pay, social security contributions, provident fund contributions, and other benefits.

(3) Provident Fund

The company established a Provident Fund on January 1, 2010, managed by UOB Asset Management (Thailand) Co., Ltd. The fund aims to boost employee morale and encourage long-term retention. The company began contributing to the fund for employees in January 2010, promoting savings and providing financial security for employees and their families in cases of retirement, death, or resignation. In 2017, the company reviewed and adjusted its employer contribution rates based on employees' length of service. The revised contribution structure was benchmarked against other companies in the same or similar industries to ensure competitiveness and alignment with industry standards.

As of 2024, a total of 473 employees out of 568 are members of the Provident Fund, representing 83.27% of the total workforce.

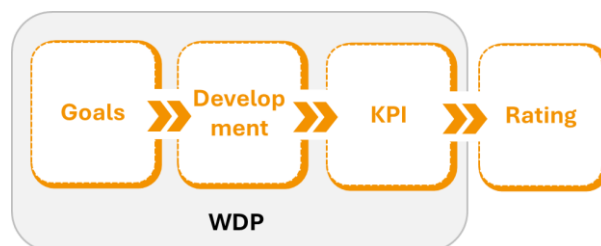
(4) Other Remuneration

In 2024, the Board of Directors approved the second phase of the Employee Joint Investment Program (EJIP). The Board recognized that EJIP is a continuation program aimed at promoting investment and providing incentives for employees and executives to accumulate the company's shares. The program is managed by Phillip Securities (Thailand) Public Company Limited, the same administrator as the previous EJIP. Stock purchases will be conducted on the Stock Exchange of Thailand (SET) within the timeframe specified by the company.

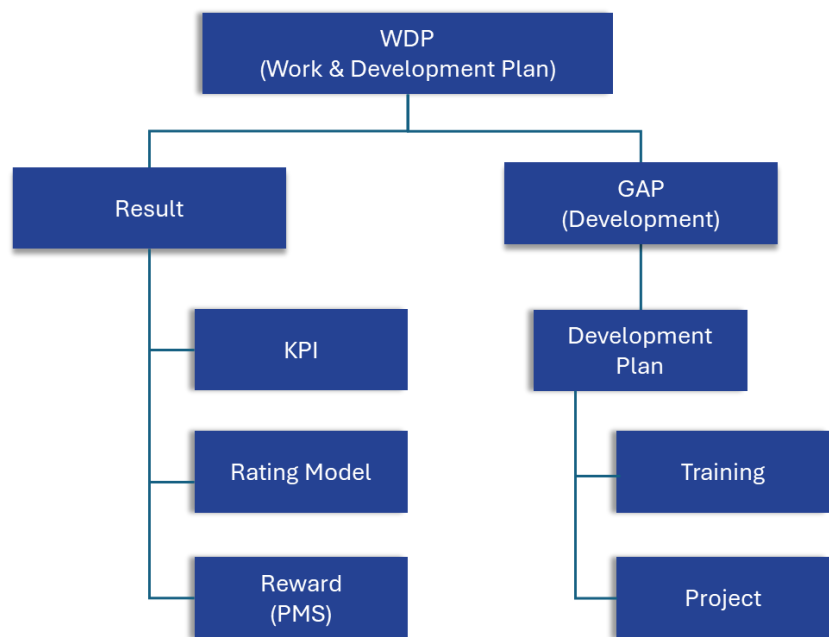
Human Resources Development Policy

With Sappe's goal of becoming a Global Brand and reaching THB 10 billion in sales by 2026, the management team has actively engaged in brainstorming sessions and workshops with department heads annually. These workshops aim to communicate and align the company's shared objectives (Function Goals) across all departments, ensuring that department heads cascade these goals down to individual employees (Individual Goals).

Once the company's strategy is communicated at the individual level, employees and their supervisors must analyze the GAP between the current skill set and the required competencies needed to achieve the company's goals. Since Individual Goals drive and support Functional Goals and ultimately the Company Goal, employees must identify areas for improvement to ensure alignment with the organization's objectives. A key tool in this process is the Work & Development Plan (WDP), an internal document used for employees at the officer level and above. The WDP connects Individual Goals—both in job performance and career growth—with personal development, performance evaluation, salary adjustments, and bonuses. Supervisors and employees engage in coaching and feedback sessions to discuss work objectives and personal development. These discussions occur twice a year, at the end of June and the end of December. The People Team collects and analyzes WDP data to develop structured training and development plans accordingly.



Development Process (Training Need Data from WDP – Development Plan)



In the past year, the Training Department successfully received 100% of WDP data from all departments as scheduled. Upon analyzing this data, it was found that 85% of the collected information was applicable in developing the training plan. The identified training needs were categorized into three main areas as follows:

1. Core Competency: To align with the company's strategy and goal of becoming a Global Brand, the management team emphasizes the importance of English language proficiency. Employees who are interested in improving their English skills are given the opportunity to participate in Speaking English Courses, where they can choose their preferred institution, learning level, and study format (online or offline) based on their convenience and specific needs. This approach ensures that employees gain practical language skills applicable to their work. In response to global digital trends and the company's strategy to expand online sales channels both domestically and internationally, the company has collaborated with leading organizations to provide Digital Transformation training. Additionally, it has extended the application of data-driven projects using online sales data to continuously analyze customer behavior, allowing for more effective marketing strategies and enhanced customer service.
2. Functional Competency - This training focuses on developing department-specific skills, with each department determining the appropriate training programs relevant to its functions. Training is provided through both internal and external programs. For internal training, where expert speakers are invited to conduct sessions at the company, these programs are incorporated into the company's annual training plan. For external training, where departments request specialized training outside the company, these sessions are approved on a case-by-case basis. While they are not included in the annual training plan, the company allocates a dedicated budget for each department to support external training programs.
3. Managerial Competency - This training program aims to enhance employees' management skills, enabling them to progress to the next level. It focuses on various aspects of management, including personal task

management, team management, and peer collaboration. The training courses are designed based on input from both supervisors and employees, highlighting the essential skills needed for further development. The program is structured into three levels:

(1) **Operational Level** – A foundational course that all employees must undertake to work efficiently within Sappe. It begins with Mindset Adjustment based on *The 7 Habits* principles, along with skill-building in areas such as teamwork (people skills & work efficiency) and effective communication to foster collaboration and smooth workflow.

(2) **Management Level** – Aimed at mid-level managers, this course includes Coaching and Feedback as part of the **WDP Masterprogram**. Employees at this level are also encouraged to attend external training sessions, such as *The 4 Essential Leadership* course, to strengthen leadership skills and stay updated on emerging management trends.

(3) **Executive Level** – Designed for senior executives, this training focuses on preparing leaders for business expansion and identifying new opportunities both domestically and internationally. The program includes Commercial Strategy Workshops with world-class consultants to help optimize organizational structure and adapt to the evolving business landscape.

Location: Corporate Office

In the training evaluation, the **Office Division** will assess the practicality of the training (Ready to Use: RTU) using the same principles as the **Net Promoter Score (NPS)**. This evaluation uses a **1-10 rating scale**, categorizing respondents into three groups: (1) **Promoters (Score 9-10)**, (2) **Passives (Score 7-8)**, and (3) **Detractors (Score 1-6)**. The calculation method is as follows:

$$\text{NPS or RTU} = \frac{\text{Number of Promoters} - \text{Number of Detractors}}{\text{Total Number of Respondents}}$$

If an employee gives a score of **8 or below**, they will receive **feedback and recommendations for further development** to enhance their skills or knowledge. The goal is to help them improve their score to **9-10** and achieve better outcomes in future training sessions.

Quantitative Goal

To maximize personnel development efficiency, the training and development objective is for 100% of employees who have passed the probation period to complete the required training. In 2024, Sappe Players successfully achieved this 100% training completion target. Additionally, to enhance development effectiveness, at least 90% of employees must receive a minimum of 6 hours of training. In 2024, Sappe Players exceeded this target, achieving 91%, surpassing the set goal.

Qualitative Goal

- **Post-Training Satisfaction Score:** The target for the average satisfaction score across all courses is set at 90%, with the 2024 achievement at 85%.
- **Practical Application of Internal Training:** The goal for employees applying knowledge gained from internal training is 85%, with the 2024 achievement at 83%.
- **Practical Application of External Training:** The goal for employees applying knowledge gained from external training is 85%, with the 2024 achievement exceeding the target at 90%.

In 2024, we placed a strong emphasis on foundational soft skills, such as mindset and leadership development. Building on this foundation, our focus now shifts towards hard skills development to prepare our employees for the battlefield of business and the challenges of the game we are about to play. Equipping Sappe Players with the necessary knowledge and skills is our top priority.

Our team continues to foster a growth mindset, with an even greater hunger for success. To win in this battlefield, we must arm ourselves with the right tools and skillsets, ensuring that Sappe Players can anticipate, adapt, and act swiftly in today's fast-changing environment. As we navigate the era of digital transformation, readiness is key to staying competitive in the modern world. The Hard Skill Development Program (Toolset/Skillset) will consist of the following core courses:

The Digital Transformation course began the year by providing knowledge and raising awareness about the importance of digital technology. Leading external companies were invited to share insights and case studies, demonstrating how digital advancements impact businesses and how rapidly the world is changing. The key question was whether we are ready to embrace this era. A total of 36 employees from relevant departments participated in the training, equipping them with skills to apply digital tools in their work and projects. The average assessment score for practical application was 55%, while the average satisfaction score was 69%.

The Copilot course introduced a new feature from Microsoft Office, built upon ChatGPT, to assist in data analysis and report generation. Participants learned how AI-driven tools in Power BI and Microsoft 365 Copilot within the Power Platform can enhance efficiency and reduce working time through features such as Quick Suggest. A total of 30 employees took part in the training, with an average practical application score of 30% and an average satisfaction score of 23%.

The E-memo system is an electronic signature tool implemented for internal document signing, reducing paper usage and enhancing work efficiency. Training was conducted in two groups:

(1) The Department Admin Group consisted of department administrators responsible for setting user permissions and training their teams on how to use the E-memo tool. A total of 21 employees participated in this training, achieving an average practical application score of 90% and an average satisfaction score of 81%.

(2) The E-master Print Group was designed for employees who need to sign Master Print documents, Memos, or other internal approvals. A total of 38 employees participated, with an average practical application score of 79% and an average satisfaction score of 79%.

In 2024, Sappe officially introduced E-signature technology. The goal for 2025 is for Sappe Players to use E-signatures in 80% of all internal document processes.

The Speaking English Course was introduced to prepare employees for Sappe's journey towards becoming a global brand. The company prioritizes the development of English communication skills for employees in support departments, allowing those interested and requiring English for their work to choose their preferred institute and level. Employees also have the flexibility to select their preferred learning method, whether online or offline, to ensure the most effective learning experience tailored to their needs. In 2024, a total of 26 employees enrolled in English courses across more than five institutes, achieving an average practical application score of 80%.

The Healing Workshop was designed as a relaxation activity open to all Sappe Players. Employees could register for any of the nine available activities, including (1) flower arrangement, (2) scented candle making, (3) watercolor painting, (4) herbarium bottle garden arrangement, (5) acrylic painting on tote bags, (6) cactus gardening, (7) terrarium arrangement, (8) ceramic plate painting, and (9) cake decorating. The workshops received highly positive feedback, with 270 employees participating and achieving an average practical application score of 88%.

Location : Factory

Over the past year, the factory has focused on human resource development and system improvements by introducing Technology (Automation Systems) training courses to enhance employees' skills in handling technology, applications, and various production tools. Additionally, Technical Skills development has been prioritized to improve production efficiency, increase output, enhance safety, reduce errors, and ensure proper equipment maintenance, supporting the expansion of production lines.

This year's development initiatives include the implementation of the new SAP system, the integration of Data Tanks to enable real-time monitoring and simplify production tracking for management, and the adoption of the Automated Storage & Retrieval System (AS/RS) for automated warehousing and inventory management. These advancements reflect the company's commitment to leveraging technology to improve operational efficiency.

To ensure that employees understand and adapt to these new technologies, training and skill-building programs have been a key focus. Employees have undergone structured training, including hands-on experience through On-the-Job Training and Activity-Based Learning Projects. These initiatives result from the integration of various tools and collaboration across multiple departments, fostering an effective Knowledge Management system within the organization.

Leadership development remains a top priority, equipping leaders with the ability to navigate change in the BANI (Brittle, Anxious, Nonlinear, Incomprehensible) era. The focus is on awareness, adaptability, and acting as Change Agents to guide the organization toward its goals. This is supported by continuous Coaching and Feedback, along with training programs designed to build trust and strengthen teamwork across all levels of employees.

At the Key Operator level, the "Master Expert" project was introduced to prepare employees for the expansion of production lines while serving as a tool to assess the knowledge and skills of Key Operators within the organization. This year, the focus has been on developing and upgrading skills in machine maintenance, including Autonomous Maintenance training to enhance operators' ability to independently maintain machinery and Preventive Maintenance training to maximize machine efficiency, ensuring continuous and high-quality production.

This training also enables Key Operators to effectively transfer knowledge to new employees by developing a "Living Manual" — an accessible and practical guide. Additionally, the "Master Expert" project was expanded with the introduction of the "Mini Compendium" initiative, which allows Key Operators to document and share their specialized expertise. This initiative aims to increase the number of Master Experts and Skilled Operators within the organization.

Data analysis and communication have also played a crucial role in engaging employees and driving performance. Key Operators who meet performance targets receive recognition and appreciation from the management team, further motivating them to excel.

For training evaluation, the factory set a Ready to Use (RTU) target, ensuring that employees fully understand the content and can effectively apply their knowledge. The evaluation scale ranges from 1 to 5, with only score 5 counted towards RTU measurement. The RTU target has been increased from 65% to 80% this year. Additionally, a Work-Based Training model has been implemented, blending theory and hands-on experience to enable employees to learn from real-world applications and perform their tasks with greater efficiency.

The "Master Expert" project serves as a platform for learning and experience sharing, resulting in new knowledge that can be effectively applied to work. This initiative also promotes Knowledge Management within the organization, ensuring sustainable development for the future.

The development of employee skills and competencies under the Master Expert project is evaluated based on three key dimensions, with performance-based incentives provided in accordance with employees' knowledge, skills, and capabilities:

- 1. Autonomous Maintenance (AM)** – Ensuring machinery is in optimal condition and capable of producing high-quality products as per the set targets. The evaluation standard has been raised from 95% to 97% for daily, weekly, and monthly checklist inspections. Employees meeting this standard receive an additional 500 THB per month.

- 2. Key Operator (Job Level 1-3.2)** – Employees with expertise in machine maintenance, troubleshooting, and knowledge transfer, including those who compile technical compendiums, are eligible for a 500 THB monthly incentive.

- 3. Application of Knowledge from the Master Expert Project** – The number of Machine Experts at Sappe has grown from 100 to 139 employees. These experts participate in knowledge-sharing sessions, exchanging techniques and discussing root cause analysis to reduce machine breakdowns in line with the company's targets. Employees who contribute to this initiative receive 500 THB per month.

Additionally, employees received training on the ISO 45001:2018 standard, focusing on Occupational Health and Safety Management Systems (OHSMS). The objective is to help the organization reduce risks related to workplace hazards and accidents. This standard is designed to support continuous improvement in employee safety and health management. Further technical skill development included: Process CIP – Training for Key Operators and Technicians on the proper cleaning and maintenance of pipeline systems in production lines using chemicals and hot water. Chiller System – Training for Utility Technicians on the operation and maintenance of chiller systems, which regulate water and coolant temperatures in the production process. Lubrication Fundamentals – Providing

knowledge on lubrication techniques and their benefits for effective machine maintenance in industrial operations. This year, Sappe collaborated with Nakornnayok Technical College to introduce the Skill Technician course, offering Key Operators and Technicians specialized training to enhance their technical expertise.

In 2024, a total of 58 training courses were conducted at the corporate office, while 35 training courses were held at the factory. The average training hours per employee (hours/employee/year) are as follows:

	2024	2023	2022
Average training hours per employee (hours/employee/year)	28.27	27	22

The total training hours for the corporate office amounted to 6,368 hours, with an average of 37.68 hours per employee. The total training hours for the factory were 9,686 hours, averaging 24.28 hours per employee.

The company has established a Succession Plan for senior executives, recognizing the importance of effective and efficient corporate management and ensuring business continuity. This initiative aims to drive sustainable organizational growth and advancement. The Succession Plan has been implemented to ensure that the company has qualified and competent leaders ready to fulfill key roles as needed. The plan includes the following key actions:

1. The Board of Directors has mandated the development of a sustainable executive development plan to support continuous growth strategies and the succession planning of key personnel.
2. Management defines the knowledge, competencies, and experience required for each position to identify and select candidates whose qualifications align with the established criteria.
3. Management evaluates the performance and competencies of qualified subordinates against the required competencies to develop plans that address competency gaps.
4. Management assigns the Human Resources Department to oversee the development of selected candidates through appropriate training and activities, with monthly progress reports submitted to management for continuous monitoring.

Employee Welfare Policy

The company is committed to caring for its employees (Players) by focusing on Well-being, covering five key dimensions: Physical, Mental, Social, Spiritual, and Intellectual well-being. The year began with a Town Hall (Talk Twist C), where senior executives shared their vision and commitment to improving employees' quality of life. The session emphasized the company's dedication to Well-being and introduced upcoming activities for the year, ensuring that all employees were informed from the start. The company firmly believes that when employees are well cared for, they experience greater job satisfaction, leading to higher motivation and improved performance. Additionally, the company benchmarks employee benefits against similar industries, comparable businesses, or legal requirements, ensuring that its welfare policies remain competitive and beneficial. The company continues to follow the welfare policy framework established in previous years, summarized as follows:

Physical Well-being

Enhancement of the **annual health check-up program** with additional screenings:

1. Uric acid test
2. Kidney function test
3. Cervical cancer screening
4. Breast cancer screening

Mental Well-being

1. Healing Workshop Activities – Employees can engage in stress-relieving activities they enjoy, such as terrarium gardening, painting, and cake decorating. These workshops are scheduled every three months for a one-year period.

2. Small-group therapy sessions – Professional therapists will facilitate small group discussions, allowing employees to express their stress and concerns in a confidential setting, with expert guidance for emotional release and well-being.

Social Well-being

1. “Mouth Moys Joy Beer” Social Gatherings – Held on the third Friday of every month, this event encourages employees to unwind together after work, with food, drinks, and karaoke.

2. Employee-led Party Committees – Employees can volunteer to help organize company parties, giving them the opportunity to design events in their preferred style while fostering leadership skills and cross-department collaboration.

Spiritual Well-being

1. Donation Drive for Flood Victims – Employees are encouraged to donate essential items to help communities affected by flooding.

2. Sharing Experience Initiative – Employees passionate about giving back can mentor students at Srinakharinwirot University, Assumption University, Thammasat University, and King Mongkut's Institute of Technology Ladkrabang, sharing knowledge on Human Resource Management, Food Innovation Culture, and Business Success Strategies, with insights from Sappe executives.

All of these initiatives, whether through donating goods or sharing knowledge, allow givers to experience a true sense of fulfillment, embracing the value of giving without expecting anything in return. This aligns perfectly with the company's mission: **“We better people's lives through our innovative spirit.”**

Intellectual Well-being

The company has set a training direction to ensure that all employees receive training, with budget allocations provided to each department. This allows employees to select courses of interest and participate in training programs that align with their individual learning needs. We believe that knowledge is truly achieved through one's own desire to learn.

Occupational Health, Safety, and Work Environment Policy

Sappe places great importance on Safety, Occupational Health, and Environmental (SHE) standards, striving to create a safe and environmentally conscious workplace. The company is dedicated to fostering a Happy Workplace with international-level standards, ensuring that both executives and employees are committed to cultivating a SHE-focused organizational culture. Every operational step is carried out with careful attention to detail, aligning with company policies and effective communication. The SHE policy includes the following commitments:

1. Compliance with Laws and Regulations – Adhering to all relevant laws, customer requirements, and other regulatory frameworks related to safety, occupational health, and environmental protection.

2. Risk Assessment and Prevention – Evaluating risks, identifying opportunities, and analyzing safety, health, and environmental incidents. The company supports risk reduction through a structured control hierarchy, implementing proactive safety measures and inspections to ensure a safe and healthy environment for employees, stakeholders, and business operations while protecting lives, assets, and the environment.

3. Corporate Social and Environmental Responsibility – Establishing a structured SHE framework and objectives that align with corporate strategy and sustainability goals. The company continuously monitors both regular and emergency conditions, reviews outcomes, and enhances security, safety, health, and environmental management systems for continuous improvement.

4. Resource Efficiency and Environmental Protection – Maximizing the efficient use of resources to minimize environmental impact while ensuring the well-being of employees and stakeholders in terms of both physical and mental health.

5. Knowledge Development and Sustainable Culture – Continuously developing employee competencies and fostering a safety, occupational health, and environmental culture by providing sufficient resources to sustain SHE initiatives for employees and stakeholders.

6. Effective Communication and Continuous Improvement – Communicating SHE policies, objectives, and relevant information to employees, customers, partners, and stakeholders both internally and externally. This ensures efficient implementation and continuous enhancement of safety, occupational health, and environmental standards.

The company has a **daily goal of achieving a Zero-Accident workplace**, striving to eliminate workplace incidents entirely. To support this, a Safety and Occupational Health Committee has been established to oversee safety operations, evaluate work efficiency, and ensure that employees work safely while complying with legal requirements. Additionally, risk assessments are conducted regularly, along with proactive safety initiatives such as identifying high-risk areas and communicating safety lessons to employees.

The company's safety policies and regulations are also communicated to contractors and relevant personnel before they begin work. A work permit system is in place to ensure that contractors and suppliers operating within the factory comply with safety policies and regulations.

To achieve this goal, the company is committed to continuously improving safety measures through management strategies, employee training, and the implementation of modern technology for accident prevention and monitoring. Furthermore, the company encourages employee and stakeholder participation in fostering a sustainable safety culture.

Occupational Health, Safety, and Work Environment

Corporate office and Factory	2024	2023	2022
The Number of work-related lost-time injury incidents	-	-	-
The Number of work-related fatal incidents	-	-	-

However, if work-related lost-time injuries or fatalities occur in the future, the company has established measures to support and compensate affected employees while implementing preventive action plans to ensure that such incidents do not recur.

Human Resources Policy

For the organization to achieve its set goals, the company has established a policy to retain talented and skilled employees, ensuring they remain with the organization. Additionally, the company aims to motivate employees to fully utilize their potential, knowledge, and capabilities to achieve maximum efficiency and effectiveness. This policy is based on the principles of integrity, discipline, teamwork, and strong interpersonal relationships, fostering a positive and productive work environment.

The company has implemented its Human Resource Management Policy based on the following principles:

1. Fair and Equal Selection and Placement – Recruiting individuals with the right skills and qualifications that align with the company's requirements. Employees are appointed, transferred, and reassigned fairly and equitably, ensuring no discrimination and considering the qualifications required for each position.

2. Fair Treatment of Employees

3. Continuous Employee Development

4. Fair and Competitive Compensation – Determining employee compensation based on fairness, considering job responsibilities, performance, and the company's financial capacity.

5. Transparent and Regular Communication

6. Promotion of Core Organizational Values – Encouraging employees to adopt and embody the company's five Core Values:

- Integrity for Sustainability
- Experimental Creativity
- Do the Impossible
- Dynamic with Speed and Never Give Up
- Fun Teamwork

To drive behavioral change among employees until it becomes part of the organizational culture, leading to the achievement of strategic goals, the company focuses on Human Capital development, covering Hard Skills, Soft Skills, and Well-being. In addition to these policies, the company also considers the surrounding community, expanding opportunities for local communities and employees' families by allowing people with disabilities to sell products within company premises, providing them with an opportunity to generate household income.

Human Rights Policy

We are committed to conducting business with the guiding principle: **"We better people's lives through our innovative spirit."** We uphold respect, fairness, and equality in accordance with human rights principles for all stakeholders, ensuring sustainability and well-being throughout Sappe's value chain. To ensure that our business operations remain free from human rights violations, this Human Rights Policy applies to all Sappe entities, including the Board of Directors, Executive Committee, Management, and employees at all levels. Additionally, we encourage business partners, suppliers, and all stakeholders to adhere to this policy. This policy is publicly disclosed on the company's website to reinforce our commitment to ethical and responsible business practices.

Employee

In terms of employee care, which is considered a highly valuable human resource, the company has established a policy ensuring that all employees receive fair treatment in terms of opportunities, compensation, benefits, and professional development. The company also prioritizes quality of life, workplace safety, and occupational health, including the provision of a provident fund for employees.

Regarding compensation, the company evaluates employees based on their capabilities, efficiency, and performance appraisals, ensuring alignment with business performance and industry competitiveness.

For employee development, the company provides diverse training programs from both internal and external sources, enabling employees to enhance their knowledge and skills, which are crucial for professional growth. The company ensures a safe and healthy work environment for both office and factory employees by implementing occupational health, safety, and environmental policies. Additionally, it collects and analyzes accident rates, absenteeism rates, and work-related injury rates to continuously improve workplace safety standards.

The company is strongly committed to human rights principles and strictly enforces a non-discrimination policy, ensuring equal opportunities for all employees. Employment decisions are made without discrimination based on physical or mental differences, race, nationality, country of origin, ethnicity, religion, gender identity, sexual orientation, disabilities, language, age, skin color, education, social status, culture, customs, political opinions, or any other factor. Employees are treated fairly and compensated appropriately, with opportunities to participate in community development and social responsibility initiatives.

To ensure that employees can express concerns and report grievances confidently and fairly, the company has established a complaint channel for reporting human rights violations through the Human Resources Department, Phone: 02-319-4949, Email: hr@sappe.com

In 2024, the number of discrimination incidents reported was zero.

The company has been certified under the Thai Labor Standard or TSL 8001, in compliance with social responsibility requirements for labor practices in business. This certification ensures that workers are recognized equally, receive fair compensation, and work in a safe environment, which serves as a fundamental pillar for sustainable business development. The certification aligns with the Constitution of the Kingdom of Thailand and labor laws related to labor protection, occupational health and safety, workplace environment, employee welfare,

and labor relations. By complying with the Thai Labor Standard or TSL 8001, the company benefits in the following ways:

1. The company provides products and services that are recognized, credible, and trusted, resulting from fair labor management practices that consider social responsibility in labor operations, adhere to standards, and respect international human rights principles.
2. Workers have job security, receive protection no less than what is required by law, are treated fairly, and work in a safe and healthy environment.

In 2024, the company had no incidents of non-compliance with the Thai Labor Standard.

Through the company's commitment to continuous employee development via structured and tangible processes, its success is reflected in the Employee Engagement Survey results. In 2024, the company achieved an Employee Engagement Score of 4.32 out of 5, a high level that demonstrates its dedication to fostering an inclusive work environment that nurtures employee potential and embraces diversity, while striving toward becoming a Global Brand with pride.

Additionally, the company conducted its first-ever measurement of employee pride in contributing to the organization's global growth ("You are proud to engage and be a part of building the organization to a global level"), which resulted in an NPS score of 63%. This marks another significant milestone in the company's people development efforts and will serve as a foundation for future workforce enhancement. The company remains committed to inspiring Thai talent and driving its products toward sustainable global growth.

In 2024, the company had no significant labor disputes

Administrative Policy

The company focuses on creating a pleasant and inspiring workplace environment to foster creativity, motivation, and a positive work atmosphere. By ensuring a safe, hygienic, and well-maintained workspace, the company enhances employees' overall well-being and morale, which in turn drives productivity, efficiency, and long-term organizational success.

The company continues to implement its Administrative Policy, building on previous years' initiatives. The key areas of focus include:

1. Workplace design that considers the diverse personalities of employees and different work styles, while always prioritizing employee safety.
2. Maintaining cleanliness and order within the company premises to ensure a clean, pleasant, and comfortable environment, with continuous implementation of the 5S system.
3. Managing hygienic facilities and services, including clean cafeterias, restrooms, first aid rooms, and legally compliant employee transportation (for factory employees). Annual health check-ups for food service staff and safety training on LPG gas usage are conducted regularly.
4. Implementing a control system for office equipment, telephones, photocopiers, and the internet to maximize efficiency.

5. Building good relationships with external organizations and visiting clients, as well as ensuring compliance with legal and regulatory requirements in government relations.

Confidentiality and Internal Data Protection Policy

The protection of internal data is crucial to the company's success and plays a vital role in ensuring the job security of all employees. To prevent negative impacts on the business and the company's reputation when sharing information with external parties, the company has established the following Code of Conduct for Confidentiality and Internal Data Usage:

1. Directors, executives, employees, and staff of the company must maintain the confidentiality of the company's internal and/or material information that has not been disclosed to the public and must not use such information for personal gain.

2. The company has informed executives of their responsibilities regarding the holding of company securities, including those held by their spouse and minor children. Executives are required to report changes in their shareholding to the Securities and Exchange Commission (SEC) in accordance with Section 59 and the penalty provisions under Section 275 of the Securities and Exchange Act B.E. 2535 (1992).

3. Directors, executives, employees, and staff must not disclose or use confidential and/or internal company information for personal gain or for the benefit of others, whether directly or indirectly, and regardless of whether compensation is received.

4. Directors, executives, employees, and staff are prohibited from buying, selling, transferring, or receiving company securities using confidential and/or internal company information. They must not engage in any legal transactions based on such information that may cause damage to the company, directly or indirectly. This restriction also applies to their spouses and minor children. Any violation of this regulation is considered a serious offense.

5. The company has established guidelines to prevent insider trading, prohibiting directors, executives, employees at the director level and above, and individuals with access to internal information from trading company securities within one month before the disclosure of quarterly and annual financial statements and 24 hours after the release of material information.

6. Directors, executives, and employees at the director level and above must report any purchase or sale of company securities to the company each time a transaction is made.

7. Employees at all levels who have access to personal data must handle and use such information with caution.

8. Any information related to contractual agreements and business partners is considered confidential and must not be disclosed to third parties unless authorized by both the company and the contracting party.

9. The company has implemented strict measures and control systems to ensure that internal company information remains within its respective departments, preventing unauthorized disclosures before official releases. These confidentiality controls are integrated into the company's risk management framework.

10. Supervisors at all levels are responsible for preventing leaks of sensitive company information within their chain of command before any official disclosure.

11. Sharing of internal information among employees must be limited to their assigned responsibilities and must not exceed what is necessary for their duties.

12. Employees must not disclose confidential company information, even after their employment has ended.

The company secretary will notify directors, executives, and employees via email regarding the prohibited period for trading the company's securities, which begins one month before the disclosure of quarterly and annual financial statements and extends for 24 hours after the release of significant information.

Furthermore, the company has established penalties for violations involving the use of insider information for personal gain, as stipulated in its regulations. These penalties range from verbal warnings to termination of employment. In 2024, the company did not encounter any violations or receive any reports or complaints regarding the use of insider information.

Additionally, the company has a Personal Data Protection Policy that covers the confidentiality and security of personal data related to customers, business partners, shareholders, job applicants, and other stakeholders. This policy includes data retention, protection measures, and complaint-handling procedures regarding personal data. The company has publicly disclosed this policy, along with channels and procedures for managing personal data complaints, on its official website.

Tax Management

The company is committed to transparent and accountable business operations, ensuring tax compliance in line with good corporate governance principles and acting as a responsible corporate citizen. To support sustainable business growth, in 2024, the company reported a total revenue of 7,052.79 million THB and Earning before tax of 1,563.78 million THB. The company paid excise tax of 31.04 million THB and corporate income tax of 297.87 million THB, reflecting an effective tax rate of 19%, which differs from the statutory tax rate of 20%. The company has publicly disclosed its tax policy on its official website.

Summary of Tax exemption in 2024	
Royal Decree No. 437 B.E. 2548 (2005): Training Fee (Promote the development of employee skills)	1.53%
Royal Decree No. 690,695 : The acquisition of machine	2.31%
Royal Decree No. 499 : Expenditure on disabilities employment	0.57%
Royal Decree No. 766 on Revenue Exemption Regarding Investment and Use of Electronic Systems	0.07%
Total privilege	4.48%

7.6 Other significant information

7.6.1 Company secretary and Head of internal audit

(1) Company secretary

The Board of Directors has resolved to appoint Ms. Sutatip Chantharangsee to be the company secretary. From December 13, 2018, in order to comply with the requirements of the Securities and Exchange Act B.E. and executives about rules and various laws that the board must know and coordinate effectively both internally including between the chairman Chief Executive Officer Executive Chairman or management and external, including between the company and the shareholders and regulators Details of the person holding the position as Company Secretary appear in Attachment 1.

(2) Head of internal audit

The Company hired P&L Corporation Company Limited to be the Internal Auditor for the year 2024, with Ms. Monpat Phumratanajarin, Vice President, Head of Internal Audit It is responsible for overseeing the compliance with the rules of the official departments that govern the company's business operations. Details of the person holding the position of Head of the Company's Compliance Officer appear in Attachment 3.

(3) Head of Compliance

The Company has assigned Ms. Paweena Sriwichai as Head of Compliance for supervising the Company's compliance with the regulations of relevant government agencies.

7.6.2 Audit Fee and other services

(1) Audit Fee

The company and its subsidiaries paid a total of 3.53 million THB in audit fees to the company's auditor for the fiscal year 2024. This amount consists of 2.00 million THB for the company and 1.23 million THB for its subsidiaries.

The company ensures compliance with the Securities and Exchange Commission (SEC) regulations and international auditing standards by rotating auditors every seven years.

For the audit firm rotation, the company conducts a biennial price comparison process, which must be reviewed and approved by the Audit Committee and the Board of Directors before being presented to the shareholders' meeting for final approval.

(2) Non-Audit Fee

The company paid a total of 180,000 THB in fees for other services, specifically for Board of Investment (BOI) investment promotion services to obtain tax incentives and benefits.

8. Report on key operating results related to corporate governance

8.1 Summary of duty performance of the Board of Directors in the past year

The Board plays an important role in formulating policies and strategies that enhance competitiveness. together with the management in setting goals, guidelines, action plans and the company's budget annually as well as supervise and supervise the administration and management of the management to ensure that they are in accordance with the policies, plans and budgets that are set with efficiency and effectiveness.

8.1.1 Nomination, development, and evaluation of duty performance of the Board of Directors.

(1) Nomination

(a) Board of Directors

The company does not have a Nomination and Remuneration Committee for selecting directors or executives. Instead, the company follows a structured nomination process in which major shareholders and/or their representatives from each group, industry experts, directors, independent directors, and company executives jointly propose qualified candidates based on their expertise, experience, and potential. The selection process prioritizes candidates with skills and experience essential to the company's business operations, considering the following qualifications:

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 are 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).

In addition, the Company has prepared a **Board Skill Matrix** to assist in the selection of suitable persons to be knowledgeable directors. expertise suitable for the company's business also 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.

(b) 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. Must hold no more than 1% of the total voting shares of the company, parent company, subsidiaries, affiliates, major shareholders, or controlling persons of the company, including shares held by related persons.
2. Must not be, nor have been, a director involved in management, employee, staff member, salaried advisor, or controlling person of the company, subsidiaries, affiliates, same-tier subsidiaries, major shareholders, or controlling persons, unless at least two years have passed since ceasing such roles before being appointed as an audit committee member.
3. Must not have a family relationship (whether by blood or legal registration) in the capacity of father, mother, spouse, sibling, child, or child's spouse with any executive, major shareholder, controlling person, or nominee for such positions in the company or its subsidiaries.
4. Must not have, nor have had, business relationships with the company, parent company, subsidiaries, affiliates, major shareholders, or controlling persons that may interfere with independent judgment. Additionally, must not be, nor have been, a significant shareholder or controlling person in any entity that has a business relationship with the company, unless at least two years have passed before being appointed as an audit committee member.

5. Must not be, nor have been, an auditor of the company, parent company, subsidiaries, affiliates, major shareholders, or controlling persons. Additionally, must not be a significant shareholder, controlling person, or partner of an auditing firm affiliated with the company, unless at least two years have passed before being appointed as an audit committee member.

6. Must not be, nor have been, a professional service provider, including a legal or financial advisor, who has received fees exceeding 2 million THB per year from the company, parent company, subsidiaries, affiliates, major shareholders, or controlling persons. Additionally, must not be a significant shareholder, controlling person, or partner of such service providers, unless at least two years have passed before being appointed as an audit committee member.

7. Must not be appointed as a representative of company directors, major shareholders, or shareholders related to major shareholders of the company.

8. Must not engage in business operations that directly compete with the company or its subsidiaries, nor be a significant partner in a partnership, a director involved in management, employee, staff member, salaried advisor, or hold more than 1% of voting shares in a competing company.

9. Must not have any other characteristics that would prevent them from providing independent opinions regarding the company's operations.

Independent directors shall review and certify their independence qualifications at least once a year. This certification shall be reported along with their director profile information at the end of the year for inclusion in the 56-1 One Report.

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

-None-

(c) 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.

(d) 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.

(e) Chief Executive Officer

The Board of Directors appoints the Chief Executive Officer. The consideration will be given to persons with complete qualifications, suitability, knowledge, abilities, skills and experiences that are beneficial to the Company's operations and have a good understanding of the Company's business. and able to manage the work to achieve the objectives goals set by the committee.

(f) 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.

(2) Development of Directors and Management

The Board of Directors has a policy to promote and facilitate training and knowledge enhancement for directors and executives involved in the company's corporate governance system. This ensures continuous improvement in corporate practices. In the event of new director appointments or board member changes, the management team provides relevant documents and essential information to support the directors in performing their duties. Additionally, new directors receive an introduction to the company's business model and operational strategies.

The Company Secretary regularly updates the Board of Directors, board committees, and company executives on legal and regulatory changes to ensure compliance with the latest governance standards.

In 2024, company directors participated in training and seminars to enhance their knowledge and effectiveness in corporate governance, as follows:

1. Mr. Surath Pralongsil, Independent Director and Chairman of the Audit Committee, participated in training and seminars organized by the Thai Institute of Directors (IOD), as follows:

- Ethical Leadership Program (ELP), Class 35/2024
- Board's Roles in Purpose-driven Transition (PDT), Class 2/2024
- Business Transformation & Leadership Summit 2024
- Emerging Audit Standards and Implications for the Audit Committee Seminar

2. Mr. Adisak Ruckariyaphong, Vice Chairman of the Board of Director, and Chairman of the Executive Committee, attended the following training and seminar:

- Visionary Artificial Intelligence Partnership, Class 1/2024, organized by Sripatum University

3. Mrs. Nirachara Siriampankul, Independent Director and Audit Committee Member, attended the following training and seminar:

- Visionary Artificial Intelligence Partnership, Class 1/2024, organized by Sripatum University.

(3) Performance Evaluation of the Board of Directors, Audit Committee, Executive Committee and Top-level Management

The company places great importance on the performance evaluation of the Board of Directors, Board Committees, and Senior Executives to ensure that operations align with strategic objectives. Evaluations are conducted annually, with the assessment taking place in December each year. The company distributes performance evaluation forms to the Board of Directors, Board Committees, and Senior Executives for self-assessment.

The results of these evaluations are utilized for analyzing and planning capacity development, as well as defining improvement strategies for corporate governance. This ensures that the Board of Directors, Board Committees, and Senior Executives effectively support the company in achieving long-term sustainability and success with transparency and efficiency.

1) Evaluation of the Board of Directors' Performance

As outlined in the Board of Directors Charter, the Board of Directors is required to conduct an annual performance evaluation. This assessment evaluates the performance of the Board as a whole. For the 2024 evaluation, the company will distribute the annual self-assessment form to all board members. The purpose of this evaluation is to allow each director to reflect on their performance as a Board member and identify any challenges or obstacles encountered over the past year. The evaluation results and feedback will serve as a tool for management to enhance and improve the effectiveness of Board meetings and will also be used to refine and optimize Board practices each year, ensuring maximum efficiency and effectiveness in governance.

For the 2024 Board Performance Evaluation, the assessment is divided into two categories: 1) Entire board assessment and 2) Individual self-assessment, with details as follows:

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 Form 56-1 One report. The recommendations from the performance appraisal will be used further to improve efficiency of work.

Regarding the 2024 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 4.50 points
2. The roles and responsibilities of the Board of Directors: Average score of 4.59 points
3. The meetings of the Board of Directors: Average score of 4.68 points

4. The performance of the Board of Directors: Average score of 4.67 points

The overall average score of 4 categories was 4.61 points.

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 Form 56-1 One report. The recommendations from the performance appraisal will be used further to improve efficiency of work.

Regarding the 2024 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 4.67 points

2. The meeting of the Board of Directors: An average score of 4.64 points

3. The roles, duties and responsibilities of the Board of Directors: An average score of 4.69 points

The overall average score of 3 categories was 4.66 points.

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 2024, 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 Form 56-1 One report. The recommendations from the performance appraisal will be used further to improve efficiency of work.

Regarding the 2023 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 4.33 points
2. Duties and responsibilities of Audit Committee: An average score of 4.29 points
3. The meetings of Audit Committee: An average score of 4.33 points
4. Receiving information from the Company and trainings: An average score of 4.25 points

The overall average score of 4 categories was 4.30 points.

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 committees with the objective to review individual performance as an executive director, indicate the challenges in the previous year as well as analyse 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 2024, 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 Form 56-1 One report. The recommendations from the performance appraisal will be used further to improve efficiency of work.

Assessment forms in the year 2024, 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 4.60 points
2. The roles and responsibilities of the Executive Committee: An average score of 4.74 points
3. The meetings of Executive Committee: An average score of 4.68 points
4. Performance of Executive Committee member: An average score of 4.67 points

The overall average score of 4 categories was 4.67 points.

4) Evaluation of Top-level management's Performance

The Board of Directors has established a performance evaluation process for Chairman of Executive Committee, the President and the Chief Executive Officer (CEO). The Board of Directors is responsible for conducting these evaluations based on assessment criteria and performance evaluation forms approved by the Board. This process ensures effective monitoring and tracking of performance in alignment with both short-term and long-term strategic objectives. The evaluation criteria are based on key performance indicators (KPIs), including both financial and non-financial metrics. These include enhancing corporate governance standards to be as comprehensive as possible, in accordance with the Thai Institute of Directors (IOD) best practices, and improving employee engagement to foster a sense of ownership and commitment within the organization. The results of these evaluations ensure that executive compensation decisions for the Chairman of Executive Committee, the President and the Chief Executive Officer are clear, transparent, and performance-based, reinforcing good corporate governance. Additionally, the insights gained from the evaluation process serve as a foundation for enhancing leadership effectiveness and operational efficiency.

8.1.2 Meeting attendance and remuneration payment to each Board member

(1) The total number of the Board of Directors' meetings and the total meeting attendance of each Board member during the past year

In the year 2024, the Company scheduled the meetings for the next year in advance and informed directors in the 3rd quarter of 2023 in order for them to efficiently prepare for the meetings.

No.	Name		Position	AGM 2023	Board 2023
				Attendance / Total (Time)	Attendance / Total (Time)
1.	Mr. Natee	Onin	Chairman	1/1	10/10
2.	Mr. Adisak	Ruckariyaphong	Vice Chairman	1/1	9/10
3.	Mr. Anan	Ruckariyapong	Director	1/1	10/10
4.	Ms. Piyajit	Ruckariyapong	Director	1/1	10/10
5.	Mr. Arnupap	Ruckariyapong	Director	1/1	10/10
6.	Mr. Thana	Thienachariya	Independent Director	1/1	8/10
7.	Mr. Surath	Pralongsil	Independent Director and Chairman of the Audit Committee	1/1	10/10
8.	Mrs. Niratchara	Siriamphunkul	Independent Director and Member of the Audit Committee	1/1	9/10
9.	Mr. Chanin	Archjananun	Independent Director and Member of the Audit Committee	1/1	10/10

(2) The remunerations of each director

The 2024 Annual General Meeting on 18 April 2024 had a resolution for remuneration of the Board of Directors and the Audit Committee not exceeding 18,000,000 baht with description as follows.

- **Annual Remuneration**

(1) Chairman 240,000 Baht (per Year)

(2) Director 240,000 Baht (per Year)

- **Meeting Attendance Fee**

(1) Chairman of the Board of Director 27,000 Baht (per attendance)

(2) Chairman of the Audit Committee 27,000 Baht (per attendance)

(3) Director and Audit Committee Member 22,000 Baht (per Person per attendance)

- **Gratuity**

By Considering the Company's net profits and at the discretion of the Board of Directors, in 2024, the Board allocated gratuity for 9 directors at 1,252,546.00 baht per person (equivalent to 0.1% of the net profits of the consolidated financial statements).

In 2023 and 2024, the company provided director compensation in both fixed (monthly remuneration) and variable forms (meeting attendance fee and gratuities). The Executive Committee did not receive separate director compensation, as they were already compensated for their roles as company executives. The details are as follows:

(Unit: Baht)

Name	Position	2024			2023		
		Monthly remuneration	Meeting attendance fee	Gratuities	Monthly remuneration	Meeting attendance fee	Gratuities
1. Mr. Natee Onin	Chairman (Non – Executive Director)	240,000	264,000	1,252,546	240,000	200,000	1,074,199
2. Mr. Adisak Ruckariyaphong	Vice Chairman (Executive Director)	240,000	194,000	1,252,546	240,000	140,000	1,074,199
3. Mr. Anan Ruckariyapong	Director (Executive Director))	240,000	214,000	1,252,546	240,000	160,000	1,074,199
4. Ms. Piyajit Ruckariyapong	Director (Executive Director)	240,000	214,000	1,252,546	240,000	160,000	1,074,199
5. Mr. Arnupap Ruckariyapong	Director (Executive Director)	240,000	214,000	1,252,546	240,000	140,000	1,074,199
6. Mr. Thana Thienachariya	Independent Director	240,000	174,000	1,252,546	240,000	140,000	1,074,199
7. Mr. Surath Pralongsil	Independent Director and Chairman of the Audit Committee	240,000	320,000	1,252,546	240,000	255,000	1,074,199
8. Mrs. Niratchara Siriamphunkul	Independent Director and Member of the Audit Committee	240,000	278,000	1,252,546	240,000	240,000	1,074,199
9. Mr. Chanin Archjananun	Independent Director and Member of the Audit Committee	240,000	300,000	1,252,546	194,667	147,999	716,133
Total		2,160,000	2,172,000	11,272,915	2,114,667	1,582,999	9,309,725

8.1.3 Supervision of subsidiaries and associated companies

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:

(1) Supervision of Subsidiaries and associated companies

- **Sappe Holding (Thailand) Company Limited:** 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 Company Limited:** 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 Company Limited and K Best Farm Company Limited.:** 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.

- **Sappe Philippines Corporation:** The Board of Directors has appointed three senior executives of the company as board members to ensure that management aligns with the company's strategic direction, given that the company holds 100% of the total shares as the major shareholder.

- **Danone Sappe Beverages Company Limited:** The Board of Directors has appointed Ms. Piyajit Ruckariyapong to be the Company's director in co-authoring the policy to create mutual growth in the future.

- **M Intelligence Company Limited:** The Board of Directors has appointed Mr. Arnupap Ruckariyapong to be the Company's director in jointly formulating the policy to create mutual growth in the future.

- **Wope Company Limited:** The Board of Directors has appointed Mr. Adisak Ruckariyaphong and Miss Piyajit Ruckariyapong to be the Company's director in jointly formulating the policy to create mutual growth in the future.

(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 Holding (Thailand) Company Limited and indirect subsidiaries.

(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.

(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.

(5) Internal Data Usage Management

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.

Directors, executives, and employees who have access to the company's internal data are prohibited from trading company securities during specified blackout periods. This policy has been in place since the preparation of the Q2 2014 financial statements, which marked the first financial report since the company's listing on the Stock Exchange of Thailand (SET). The Company Secretary and Human Resources Department formally notify directors, executives, and relevant employees in advance of the restricted trading period. This includes prohibiting the trading of company shares by the individual, their spouse, and minor children, whether directly or indirectly through nominees or private funds. The restriction applies one month before the disclosure of financial statements or operational results and continues until one day after the public disclosure to ensure that the information is fully disseminated to the public.

The company has established disciplinary actions for any individuals who use insider information for personal gain or disclose it in a way that could harm the company. Violators may be subject to legal penalties and disciplinary measures, which may include verbal warnings, written warnings, probation, suspension, or termination, depending on the severity of the breach.

Additionally, the company continuously monitors and reviews changes in laws, regulations, and corporate governance guidelines. Any updates are communicated to the Board of Directors and executives to ensure strict compliance with legal and regulatory requirements.

(6) Anti-Corruption

The company declared its commitment to joining the Thai Private Sector Collective Action Against Corruption (CAC) in 2020. In 2023, the company successfully renewed its membership (1st renewal) on September 30, 2023, which will remain valid until September 30, 2026 for a three-year membership period. The company continues to operate in compliance with its Anti-Corruption and Fraud Prevention Policy, as outlined below:

1) The Company has communicated to both the directors, executives and employees' level by stipulating that all processes are strictly within the scope of the law.

2) The company provides a channel to report any violations of the policy or seen acts of corruption and have protection measures for reporters.

In addition, the company recognizes the importance of anti-corruption measures and aims to ensure that this policy is effectively implemented. The company regularly reviews the policy and conducts training sessions for new employees annually to raise awareness about conducting business with integrity and understanding the role and guidelines for preventing corruption. In 2024, a total of 12 training sessions were organized, with 104 employees participating.

8.2 Report of Audit Committee during the past year

8.2.1 Number of Audit Committee Meetings

In 2024, the Audit Committee held 4 meetings with attendance of its members below

	Name	Position	Attendance / Total (Time)
1.	Mr. Surath Pralongsil	Chairman	4/4
2.	Mrs. Niratchara Siriamphunku	Member	4/4
3.	Mr. Chanin Archjananun	Member	4/4

8.2.2 Report of Audit Committee

Appear in Attachment 5

8.3 Report of Executive Committee

In 2024, the Executive Committee held 13 meetings with attendance of its members below.

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

9. Internal control and related party transactions

9.1 Internal Control

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. 1/2025 on 24 February 2025, with 3 audit committee members in attendance, the Board's meeting assessed the adequacy of the Company's internal audit in 2023 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 recognizes the importance of risk management and has appointed a Risk Management Working Group responsible for establishing risk management policies and operational frameworks. This committee identifies key risks relevant to the company's business, including management risks, financial risks, data security risks, legal and regulatory risks, and others. It also recommends preventive measures and risk mitigation strategies to ensure that risks remain within an acceptable level while continuously monitoring, evaluating, and improving risk management plans to align with the company's business environment.

The Risk Management Working Group consists of executives and department managers with expertise, experience, and in-depth knowledge of risk management across various business functions.

The group holds quarterly meetings and is required to report its activities and findings to the Audit Committee and the Board of Directors on a quarterly basis.

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, a delegation of 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 and both factories. 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 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 2024, 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 2024, 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

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

At the Audit Committee meeting no. 1/2025 on February 21, 2025, 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, 2024, it was concluded that the Company prepared the financial statements that were duly and appropriately in accordance with the financial reporting standards.

9.2 The summary of the details of connected transactions between the Company and the persons who may have conflicts of interest yearly ending December 31, 2024

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2024 (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. TTT Corporation Co., Ltd. ("TTT")	<ul style="list-style-type: none"> The Ruckariyapongs, the Company's major shareholder, holds 63.00% of TTT's paid-up share capital Same authorize director, Mr. Adisak Ruckariyaphong 	<ul style="list-style-type: none"> Factory equipment purchased from TTT to use in the Company's production process 	0.12	<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.
2. 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. 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 	0.14 0.01	<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. Purchase price is based on 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, 2024 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
3. Mr. Anan Ruckariyapong	<ul style="list-style-type: none"> An authorized director and the President, holding 1.62% of the paid-up share capital <i>(Percentage of shares as of 31 December 2024)</i> 	<ul style="list-style-type: none"> The land and factory rental fee at Bang Chan, covering an area of 2 rai 1 ngan 88.20 square wah, is based on a 3-year lease agreement from October 1, 2022, to September 30, 2025. The rental fee for the 2nd year (October 2023 - September 2024) is 522,966 THB per month, and for the 3rd year (October 2024 - September 2025), it is 538,655 THB per month Deposit of 3 months rental fee will be refunded when the contract ends 	<p>6.32</p> <p>1.17</p>	<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
4. Ruckariyapong Family, consisting of 6 persons as follows: <ul style="list-style-type: none"> Mr. Anan Ruckariyapong Mr. Adisak Ruckariyaphong 	<ul style="list-style-type: none"> An authorized director, the President and a shareholder of 1.62 % of the paid-up share capital <i>(Percentage of shares as of 31 December 2024)</i> An authorized director, Chairman of Executive Committee and a shareholder of 16.79% of the paid-up share capital 	<ul style="list-style-type: none"> The land rental fee at Khlong 13, with a total area of 97 rai 3 ngan 49 square wah, is based on a 20-year lease agreement from October 1, 2013, to September 30, 2033. The rental fee for the 11th year (October 2023 - September 2024) is 186,506 THB per month, and for the 12th year (October 2024 - September 2025), it is 190,236 THB per month. 	<p>2.25</p>	<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

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2024 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
<ul style="list-style-type: none"> Mr. Arnupap Ruckariyapong Miss Piyajit Ruckariyapong Mrs. Somnuek Isoonpisansiri Mr. Thanarat Ruckariyapong 	<p><i>(Percentage of shares as of 31 December 2024)</i></p> <ul style="list-style-type: none"> An authorized director, Chief Operating Officer, and a shareholder of 18.59% of the paid-up share capital (UBS AG SINGAPORE BRANCH as a Custodian, 3.32%) <i>(Percentage of shares as of 31 December 2024)</i> Director, Chief Executive Officer and a shareholder of 17.72% of the paid-up share capital <i>(Percentage of shares as of 31 December 2024)</i> A shareholder of 1.56 % of the paid-up share capital <i>(Percentage of shares as of 31 December 2024)</i> A shareholder of 17.70% of the paid-up share capital (BNP PARIBAS SINGAPORE BRANCH as a Custodian, 3.24%) <i>(Percentage of shares as of 31 December 2024)</i> 	<ul style="list-style-type: none"> Deposit of rental fee will be refunded when the contract ends 	1.06	rate of land with factory building is similar to that of the market prices.
5. Mr. Veeravooth Phuchanakit	<ul style="list-style-type: none"> The spouse (de facto) of Ms. Piyajit Ruckariyapong, an authorized director who is authorized by the Company and the Chief Executive Officer 	<ul style="list-style-type: none"> Management consulting fee 	1.20	<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, 2024 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
6. 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 	10.31	<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
7. Hose Center Co.,Ltd. ("Hose Center")	<ul style="list-style-type: none"> Hose Center is a subsidiary of TTT Corporation Co., Ltd. ("TTT"), holding 100.00% of Hose Center's registered capital. The authorized director signing on behalf of the company together with the company is Mr. Adisak Ruckarayaphong 	<ul style="list-style-type: none"> Purchase factory equipment from the host center for use in the company's production process 	1.38	<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
8. 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 Ruckariyaphong and Mr. Anupap Ruckariyapong, who is an authorized director to sign with authorization from the Company 	<ul style="list-style-type: none"> Other Accounts receivable <u>Deduct</u> Allowance for doubtful accounts <u>Net</u> 	0.61 (0.61) <u>-</u>	
9. 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 <u>Deduct</u> Allowance for doubtful accounts <u>Net</u> 	11.22 (11.22) <u>-</u>	

Person / Juristic Person that may have conflict of interest	Relationship	Transaction Type	Value of Connected Transaction, 2024 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
10. 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 Ruckariyaphong, Mr. Arnupap 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 Other income Other account receivable The company bought coconut-based products for sale <ul style="list-style-type: none"> Products purchase Trade accounts payable Purchase of machinery for its production process. Entertaining expense incurring from the purchase of coconut products Other accounts payable <p>The short-term loan amounts to 4.80 million THB with an annual interest rate of 3.2%. On August 28, 2019, and June 10, 2020, All Coco Group repaid 0.21 million THB and 1.53 million THB, respectively. On August 10, 2024, All Coco Group repaid 3.06 million THB.</p> <ul style="list-style-type: none"> Short-term loans Interest income Accrued interest receivables 	<ul style="list-style-type: none"> 0.01 2.63 0.44 122.01 11.04 0.25 0.21 7.04 - 0.06 - 	<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, 2024 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
		<u>Transactions during the year.</u> <ul style="list-style-type: none"> - Beginning balance - Repayments - Ending balance 	3.06 (3.06) <u>-</u>	
11. 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 <u>Transactions during the year.</u> <ul style="list-style-type: none"> - Beginning balance - Lending - Repayments - Ending balance 	2.55 0.08 0.37 2.55 - - <u>2.55</u>	<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.
12. 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 • The same authorized director, Ms. Piyajit Ruckariyapong, who is an authorized director to sign with authorization from the Company 	<ul style="list-style-type: none"> • Sale of Finished Products <ul style="list-style-type: none"> - Revenue from sales • Receivable • Revenue from monthly service and operation • Other account receivable • Purchase of finished products for sale 	145.99 0.07 0.90 0.80	<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, 2024 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
		<ul style="list-style-type: none"> - Purchase of products - Accounts payable 	153.25 8.00	
13. M Intelligence Co., Ltd. (“M Intel”)	<ul style="list-style-type: none"> ● An associated company of Sappe Holding, holding 16.21% of the M Intel’s registered share capital ● The same authorized director, Mr. Arnupap Ruckariyapong, who is an authorized director to sign with authorization from the Company 	<ul style="list-style-type: none"> ● Other Income 	0.06	<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.
14. Wope Co., Ltd. (“Wope”)	<ul style="list-style-type: none"> ● Indirect joint venture of Sappe Holding, holding 60% of Wope ’s registered share capital ● The same authorized director, Mr. Adisak Ruckariyaphong, who is an authorized director to sign with authorization from the Company 	<ul style="list-style-type: none"> ● Sale of Finished Products <ul style="list-style-type: none"> - Revenue from sales 	4.71	<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.
15. Sappe Philippines Corporation (“Sappe PH”)	<ul style="list-style-type: none"> ● A subsidiary of Sappe Holding, holding 100% of Sappe PH’s registered capital. 	<ul style="list-style-type: none"> ● Receivable <u>Deduct</u> Allowance for doubtful accounts <u>Net</u> 	0.71 <u>(0.02)</u> <u><u>0.69</u></u>	<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, 2024 (million baht)	Pricing Policy and / or Reasonableness of the Transactions
2. Mrs. Trakarnjit Suteesophon	<ul style="list-style-type: none"> An authorized director in indirect subsidiaries 	<ul style="list-style-type: none"> The short-term loan consists of 6 million THB with an annual interest rate of 3.2% and an additional 0.5 million THB interest-free loan. Repayments for the interest-bearing loan were made as follows: 2.33 million THB on August 28, 2019, 0.98 million THB on June 10, 2020, and 1.47 million THB on August 10, 2024. The interest-free loan was fully repaid with a payment of 0.5 million THB on August 30, 2019. <ul style="list-style-type: none"> Short-term loans Interest expense Accrued interest payable <p><u>Transactions during the year</u></p> <ul style="list-style-type: none"> Balance at the beginning of the year Repayment Balance at the end of the year <ul style="list-style-type: none"> Rental of factory land 	<ul style="list-style-type: none"> 1.22 0.07 0.18 <p><u>Transactions during the year</u></p> <ul style="list-style-type: none"> 2.69 (1.47) <u>1.22</u> <ul style="list-style-type: none"> 0.40 	<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.

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 2024 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.

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 be 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.

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.

3

Financial Statements



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

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

Independent Auditor's Report

To the Shareholders of Sappe Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Sappe Public Company Limited and its subsidiaries (the "Group") and of Sappe Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2024, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of material accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2024 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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



Key Audit Matters

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

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

SPV



Other Information

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

(Piyanat Singkhorn)
Certified Public Accountant
Registration No. 11641

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2025

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

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

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

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2024	2023	2024	2023
		(in Baht)			
<i>Current liabilities</i>					
Trade accounts payable	4, 23	199,754,447	270,819,635	201,249,504	278,991,453
Other current payables	4, 13, 23	900,006,923	1,214,577,277	868,961,857	1,202,142,927
Short-term borrowings from related parties	4, 23	2,450,000	9,469,955	-	-
Current portion of lease liabilities	23	10,437,188	11,516,428	9,945,490	11,045,934
Corporate income tax payable		107,285,706	129,981,610	106,937,687	129,860,796
Current provisions for employee benefits	14	72,160,667	11,110,000	72,160,667	11,110,000
Total current liabilities		1,292,094,931	1,647,474,905	1,259,255,205	1,633,151,110
<i>Non-current liabilities</i>					
Lease liabilities	23	38,765,227	49,202,415	29,539,356	39,484,846
Deferred tax liabilities		845,581	1,048,224	-	-
Non-current provisions for employee benefits	14	98,202,952	82,491,983	96,248,373	80,343,745
Other non-current liabilities	4	10,000	4,158,532	-	-
Total non-current liabilities		137,823,760	136,901,154	125,787,729	119,828,591
Total liabilities		1,429,918,691	1,784,376,059	1,385,042,934	1,752,979,701

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

Sappe Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2024	2023	2024	2023
(in Baht)					
Equity					
Share capital	15				
Authorised share capital		308,289,080	308,289,080	308,289,080	308,289,080
Issued and paid-up share capital		308,289,080	308,289,080	308,289,080	308,289,080
Share premium on ordinary shares	15	1,082,229,917	1,082,229,917	1,082,229,917	1,082,229,917
Share-based payment reserve	16	23,965,573	5,907,085	23,965,573	5,907,085
Treasury shares	16	(38,976,443)	(12,565,270)	(38,976,443)	(12,565,270)
Difference arising from common control transactions		-	(4,365,342)	-	-
Retained earnings					
Appropriated					
Legal reserve	17	30,843,808	30,843,808	30,843,808	30,843,808
Treasury shares reserve	16	38,976,443	12,565,270	38,976,443	12,565,270
Unappropriated		2,943,913,000	2,392,263,760	3,063,057,526	2,513,671,708
Other components of equity					
currency translation differences		3,077,723	2,338,956	-	-
Equity attributable to owners of the parent		4,392,319,101	3,817,507,264	4,508,385,904	3,940,941,598
Non-controlling interests	10	98,602,244	78,358,041	-	-
Total equity		4,490,921,345	3,895,865,305	4,508,385,904	3,940,941,598
Total liabilities and equity		5,920,840,036	5,680,241,364	5,893,428,838	5,693,921,299

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

Sappe Public Company Limited and its Subsidiaries

Statement of income

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

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

Sappe Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2024	2023	2024	2023
		(in Baht)			
Profit for the year		1,265,912,265	1,050,516,767	1,246,534,115	1,121,245,086
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		677,623	618,119	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain on remeasurements of defined benefit plans	14	770,945	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		(154,189)	-	-	-
Total items that will not be reclassified subsequently to profit or loss		616,756	-	-	-
Other comprehensive income for the year, net of tax		1,294,379	618,119	-	-
Total comprehensive income for the year		1,267,206,644	1,051,134,886	1,246,534,115	1,121,245,086
Total comprehensive income (expense) attributable to:					
Owners of the parent		1,253,975,787	1,075,016,702	1,246,534,115	1,121,245,086
Non-controlling interests	10	13,230,857	(23,881,816)	-	-
		1,267,206,644	1,051,134,886	1,246,534,115	1,121,245,086

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

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

Consolidated financial statements												
						Retained earnings			Other components of equity			
	Issued and paid-up share capital	Share premium	Share-based payment reserve	Treasury shares	Difference arising from common control transactions	Legal reserve	Treasury share reserves	Unappropriated	Translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Note												
(in Baht)												
Year ended 31 December 2023												
Balance at 1 January 2023	308,289,080	1,082,229,917	-	-	(4,365,342)	30,843,808	-	1,839,295,337	1,520,884	3,257,813,684	102,239,857	3,360,053,541
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
Shares options exercised	16	-	-	5,907,085	-	-	-	-	-	5,907,085	-	5,907,085
Share-based payment transactions	16	-	-	(12,565,270)	-	-	12,565,270	(12,565,270)	-	(12,565,270)	-	(12,565,270)
Dividends	22	-	-	-	-	-	-	(508,664,937)	-	(508,664,937)	-	(508,664,937)
Total contributions by and distributions to owners of the parent		-	-	5,907,085	(12,565,270)	-	12,565,270	(521,230,207)	-	(515,323,122)	-	(515,323,122)
Total transactions with owners, recorded directly in equity		-	-	5,907,085	(12,565,270)	-	12,565,270	(521,230,207)	-	(515,323,122)	-	(515,323,122)
Comprehensive income for the year												
Profit or loss	-	-	-	-	-	-	-	1,074,198,630	-	1,074,198,630	(23,681,863)	1,050,516,767
Other comprehensive income	-	-	-	-	-	-	-	-	818,072	818,072	(199,953)	618,119
Total comprehensive income (expense) for the year		-	-	-	-	-	-	1,074,198,630	818,072	1,075,016,702	(23,881,816)	1,051,134,886
Balance at 31 December 2023	308,289,080	1,082,229,917	5,907,085	(12,565,270)	(4,365,342)	30,843,808	12,565,270	2,392,263,760	2,338,956	3,817,507,264	78,358,041	3,895,865,305

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

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

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

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

Sappe Public Company Limited and its Subsidiaries

Statement of changes in equity

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

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

Sappe Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements							
Note		Issued and paid-up share capital	Share premium	Share-based payment reserve	Treasury shares	Retained earnings		Total equity	
						Legal reserve	Treasury		Unappropriated
							share reserves		
(in Baht)									
Year ended 31 December 2024									
	Balance at 1 January 2024	308,289,080	1,082,229,917	5,907,085	(12,565,270)	30,843,808	12,565,270	2,513,671,708	3,940,941,598
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
	Shares options exercised	16	-	-	18,058,488	-	-	-	18,058,488
	Share-based payment transactions	16	-	-	-	(26,411,173)	-	26,411,173	(26,411,173)
	Dividends	22	-	-	-	-	-	-	(670,737,124)
	Total contributions by and distributions to owners		-	-	18,058,488	(26,411,173)	-	26,411,173	(697,148,297)
Comprehensive income for the year									
	Profit		-	-	-	-	-	-	1,246,534,115
Total comprehensive income for the year									
			-	-	-	-	-	-	1,246,534,115
Balance at 31 December 2024									
			308,289,080	1,082,229,917	23,965,573	(38,976,443)	30,843,808	38,976,443	3,063,057,526

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

Sappe Public Company Limited and its Subsidiaries
Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2024	2023	2024	2023
		(in Baht)			
Cash flows from operating activities					
Profit for the year		1,265,912,265	1,050,516,767	1,246,534,115	1,121,245,086
Adjustments to reconcile profit to cash receipts (payments)					
Tax expense		297,869,073	274,765,233	295,603,143	280,814,728
Finance costs		2,052,261	2,552,621	1,461,084	1,812,606
Depreciation	11, 20	229,854,924	170,304,047	211,824,561	150,766,148
Amortisation	20	7,433,666	7,793,209	6,504,154	6,650,937
(Reversal of) impairment loss recognised in profit or loss		(2,699,195)	19,739,921	125,085	714,966
(Reversal of) loss on inventories devaluation		(9,083,184)	6,145,133	(2,821,342)	(4,773,802)
Unrealised (gain) loss on foreign exchange		(9,917,355)	6,461,607	(10,250,360)	6,056,872
Gain on fair value adjustment of other current financial assets	23	(25,410,526)	(22,790,566)	(25,410,526)	(22,790,566)
Gain on sale of other current financial assets	23	(10,412,548)	(4,912,013)	(10,412,548)	(4,912,013)
Loss on disposal and written-off plant and equipment and intangible assets		4,405,559	12,375,644	1,779,621	12,176,100
Impairment loss on plant and equipment	11	1,103,748	-	-	-
Share of loss of associates and joint venture accounted for using equity method, net of tax		1,211,072	20,119,990	-	-
Provisions for employee benefits		78,507,581	32,884,734	77,930,295	32,219,631
Share-based payment	16	18,058,488	5,907,085	18,058,488	5,907,085
Interest income	19	(8,034,105)	(3,770,704)	(8,248,843)	(4,307,456)
Loss from loss of control	9	2,548,480	-	-	-
		1,843,400,204	1,578,092,708	1,802,676,927	1,581,580,322
Changes in operating assets and liabilities					
Trade accounts receivable		(61,631,972)	(25,751,111)	(65,557,649)	(31,099,888)
Other current receivables		97,887,754	(178,335,545)	107,476,008	(178,175,568)
Inventories		208,607,374	484,342	210,809,759	(28,286,863)
Other current assets		(41,518,316)	1,941,765	(40,624,079)	1,797,780
Other non-current assets		1,139,463	(1,249,566)	(1,096,345)	(168,680)
Trade accounts payable		(69,635,326)	40,407,861	(77,874,749)	39,376,182
Other current payables		(346,462,215)	487,332,873	(373,279,462)	499,092,240
Other non-current liabilities		137,479	(516,909)	-	-
Foreign currency translation differences of subsidiaries		-	601,549	-	-
Net cash generated from operation		1,631,924,445	1,903,007,967	1,562,530,410	1,884,115,525
Provisions for employee benefits paid		(975,000)	(1,100,000)	(975,000)	(1,100,000)
Taxes paid		(322,998,194)	(238,212,710)	(322,656,430)	(237,644,946)
Net cash from operating activities		1,307,951,251	1,663,695,257	1,238,898,980	1,645,370,579

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

Sappe Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
		2024	2023	2024	2023
<i>(in Baht)</i>					
Cash flows from investing activities					
Payment on investments in subsidiary	9	-	-	-	(7,000,000)
Proceeds from return in shares of joint venture	8	22,200,000	-	-	-
Acquisition of other current financial assets	23	(5,477,464,522)	(3,935,902,333)	(5,477,464,522)	(3,935,902,333)
Proceeds from sale of other current financial assets	23	6,468,506,339	3,835,902,333	6,468,506,339	3,835,902,333
Acquisition of other financial assets	23	(6,801,020)	(10,629,540)	(6,801,020)	(10,629,540)
Proceeds from sale of other financial assets	23	20,000,000	17,000,000	20,000,000	17,000,000
Acquisition of plant and equipment		(1,388,748,575)	(776,477,464)	(1,387,540,516)	(770,524,070)
Proceeds from sale of plant and equipment		1,651,935	1,069,659	1,635,514	1,056,075
Acquisition of intangible assets		(29,002,575)	(2,972,196)	(28,877,576)	(2,600,874)
Proceeds from repayment of loans to related party		-	-	3,060,000	-
Interest received		8,094,840	3,680,787	8,503,153	3,680,787
Net cash used in investing activities		(381,563,578)	(868,328,754)	(398,978,628)	(869,017,622)
Cash flows from financing activities					
Proceeds from bank overdrafts		-	(1,056,720)	-	-
Proceeds from repayment of loans to related parties	4	(2,940,000)	-	-	-
Payments to owners to acquire or redeem the equity's shares	16	(26,411,173)	(12,565,270)	(26,411,173)	(12,565,270)
Payment of lease liabilities		(11,516,428)	(10,746,742)	(11,045,934)	(10,296,538)
Dividend paid to owners of the Company	22	(670,737,124)	(508,664,937)	(670,737,124)	(508,664,937)
Interest paid		(3,176,696)	(2,292,665)	(1,461,084)	(1,812,606)
Net cash used in financing activities		(714,781,421)	(535,326,334)	(709,655,315)	(533,339,351)
Net increase in cash and cash equivalents,					
before effect of exchange rates		211,606,252	260,040,169	130,265,037	243,013,606
Effect of exchange rate changes on cash and cash					
equivalents		1,106,911	(4,641,662)	(486,190)	(4,641,662)
Net increase in cash and cash equivalents		212,713,163	255,398,507	129,778,847	238,371,944
Cash and cash equivalents at 1 January		554,204,035	298,805,528	488,360,925	249,988,981
Effect of loss of control in subsidiary	9	(3,759,542)	-	-	-
Cash and cash equivalents at 31 December	5	763,157,656	554,204,035	618,139,772	488,360,925
Non-cash transactions					
Outstanding payables for purchases of plant and equipment		68,279,647	16,606,354	68,132,032	16,402,387
Outstanding payables for purchases of intangible assets		161,327	769,324	141,827	624,824

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

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

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Material accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivable
7	Inventories
8	Investment in associates and joint venture
9	Investment in subsidiaries
10	Non-controlling interests
11	Property, plant and equipment
12	Goodwill
13	Other current payables
14	Provisions for employee benefits
15	Share capital
16	Share-based payments
17	Legal reserves
18	Segment information and disaggregation of revenue
19	Other income
20	Expenses by nature
21	Earnings per share
22	Dividends
23	Financial instruments
24	Capital management
25	Commitments with non-related parties

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

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2025.

1 General information

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

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

The principal activities of the Company are manufacturing and distributing health drinking and food product. The principal activities of the Group are manufacturing and distributing health drinking, food and coconut products. Details of subsidiaries, associates and joint venture as at 31 December 2024 and 2023 were as following;

Name of company	Nature of business	Country of incorporation /Nationality	Ownership interest (%)	
			2024	2023
Direct subsidiaries				
Sappe Europe s.r.o.	Distributing health drinking product	Slovakia	-	60
Sappe Holding (Thailand) Co., Ltd.	Group management service	Thailand	100	100
Indirect subsidiaries				
Sappe Trading (HongKong) Company Limited	Import, export and distribution of goods	Hong Kong	100	100
Sappe Hong Kong Company Limited	Group management service	Hong Kong	100	100
Sappe Trading (Shanghai) Co., Ltd.	Distributing health drinking product	People’s Republic of China	100	100
All Coco Group Co., Ltd.	Producing and distributing coconut products	Thailand	51	51
with subsidiaries as follows :				
- All Coco Co., Ltd.	Distributing coconut products	Thailand	51	51
- K Best Farm Co., Ltd.	Providing and distributing domestic fresh coconut	Thailand	51	51
Sappe Philippines Corporation	Distributing health drinking product	Philippines	100	100
Indirect associates				
Danone Sappe Beverages Co., Ltd.	Distributing health drinking product	Thailand	25	25
M Intelligence Co., Ltd.	Distributing digital transformation products	Thailand	16.21	16.21
Indirect joint venture				
WOPE Co., Ltd.	Distributing candy and coffee products	Thailand	60	60

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

2 Basis of preparation of the financial statements

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

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

3 Material accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint venture. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

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

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

Business combinations

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

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

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

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

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

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

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

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

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

(c) *Foreign currencies*

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

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

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

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

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

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

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

(d) Financial instruments

(d.1) Classification and measurement

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

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

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

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

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

(d.2) Derecognition and offset

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

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

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

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

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

(d.3) Derivatives

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

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

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

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

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

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

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

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

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

(d.5) Write offs

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

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

(e) Cash and cash equivalents

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

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when the Group has no reasonable expectations of recovering.

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

(g) Inventories

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

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

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

(h) Property, plant and equipment

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

Cost includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

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

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

The estimated useful lives are as follows:

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

(i) Goodwill

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

(j) Other intangible assets

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

The estimated useful lives are as follows:

Software licences	3 - 10 years
Trademarks and copyrights	Agreement life

(k) Leases

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

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

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

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

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various

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

external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

(l) *Impairment of non-financial assets*

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

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. The recoverable amount is assessed from the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

(m) *Employee benefits*

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

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

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

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

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

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

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

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

(n) *Share-based payments*

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

(o) *Provision*

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(p) *Fair value measurement*

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

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

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

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

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

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

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

an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(q) Treasury shares

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

(r) Revenue from contract with customer

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

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

(s) Income tax

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

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

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

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

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

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

4 Related parties

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

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

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

Sappe Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

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

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

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

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

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

Significant agreements with related parties

(a) Land lease agreement

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

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

(b) Land and building lease agreement

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

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

(c) Co-packing agreement

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

(d) Distribution agreement

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

5 Cash and cash equivalents

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

6 Trade accounts receivable

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

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

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

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

7 Inventories

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

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

8 Investment in associates and joint venture

		Consolidated financial statements							
	Type of business	Ownership interest		Paid-up capital		Cost		At equity method	
		2024	2023	2024	2023	2024	2023	2024	2023
		(%)				(in thousand Baht)			
Indirect associates									
Danone Sappe Beverages Co., Ltd.	Distributing health drinking product	25.0	25.0	300,000	300,000	75,000	75,000	19,470	19,110
M Intelligence Co., Ltd.	Distributing digital transformation products	16.2	16.2	4,947	4,947	70,000	70,000	56,073	56,740
						145,000	145,000	75,543	75,850
Indirect joint venture									
WOPE Co., Ltd.	Distributing candy and coffee products	60.0	60.0	50,000	50,000	7,800	30,000	224	23,329

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

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

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

WOPE Co., Ltd.

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

Material associates

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

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

Immaterial associates and joint venture

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

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

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

9 Investments in subsidiaries

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

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

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

Sappe Holding (Thailand) Co., Ltd.

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

SAPPE Philippines Corporation

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

Impairment

Giving consideration of the current operation at overseas subsidiaries, the Group has provided allowance for impairment loss totaling Baht 24.61 million during the year ended 31 December 2024 (2023: 24.61 million).

All Coco Group Co., Ltd.

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

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

At the Board of Directors Meeting of the Company held on 10 August 2023, the Board has approved a disposal of entire authorized share capital of Sappe Europe s.r.o., a subsidiary of the Company in which the holding interest of the Company is 60 percent. Consequently, on 13 March 2024, the Company disposed the entire authorized share capital of Sappe Europe s.r.o. with fair value of the consideration received of EUR 3,983 or equivalent to Baht 0.16 million. As a result, the Group has loss control in Sappe Europe s.r.o.. The Group recognised the reversal of difference arise from the common control amounting to Baht 4.37 million directly to retained earnings, and recognised loss from loss of control in a subsidiary in the consolidated statement of income amounting to Baht 2.55 million.

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

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

On 13 March 2024
(in thousand Baht)

Decrease in assets

Cash and cash equivalents	3,760
Trade account receivables	4,987
Inventories	4,132
Other assets	677

13,556

Decrease in liabilities

Trade account payables	(1,563)
Other payables	(6,901)
Short-term loan from related parties	(4,995)
Other liabilities	(4,326)

(17,785)

Carrying amounts of net liabilities

(4,229)

Less non-controlling interests

7,013

Carrying amounts of interest in a subsidiary

2,784

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

(in thousand Baht)

Carrying amounts of interest in a subsidiary	2,784
Fair value of the consideration received	(162)
Translation reserve	(74)

2,548

10 Non-controlling interests

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

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

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

11 Property, plant and equipment

	Consolidated financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Asset under construction and installation	Total
<i>Cost</i>							
At 1 January 2023	153,642	482,732	1,463,769	111,601	55,840	262,055	2,529,639
Additions	-	716	15,496	3,292	2,007	747,978	769,489
Transfer	-	4,902	255,544	3,454	-	(263,900)	-
Disposals	(13,171)	(49,194)	(80,264)	(30,467)	(5,407)	-	(178,503)
Effect of movements in exchange rates	-	-	299	(3)	58	-	354
At 31 December 2023 and 1 January 2024	140,471	439,156	1,654,844	87,877	52,498	746,133	3,120,979
Additions	52,044	2,946	10,580	177,029	9,459	1,188,364	1,440,422
Transfer	1,585	265,455	494,812	43,724	-	(805,576)	-
Disposals	(24)	(6,111)	(70,593)	(12,829)	(4,251)	(970)	(94,778)
Effect of movements in exchange rates	-	-	311	(3)	61	-	369
At 31 December 2024	194,076	701,446	2,089,954	295,798	57,767	1,127,951	4,466,992
<i>Depreciation and impairment losses</i>							
At 1 January 2023	34,047	262,449	1,029,919	92,231	43,260	-	1,461,906
Depreciation for the year	3,247	26,407	115,795	8,205	5,261	-	158,915
Disposals	(11,998)	(37,788)	(79,488)	(30,377)	(5,407)	-	(165,058)
Effect of movements in exchange rates	-	-	290	(3)	58	-	345
At 31 December 2023 and 1 January 2024	25,296	251,068	1,066,516	70,056	43,172	-	1,456,108
Depreciation for the year	2,936	34,374	157,912	18,834	4,383	-	218,439
Impairment losses	-	-	903	-	-	201	1,104
Disposals	(24)	(5,318)	(68,958)	(12,170)	(3,913)	-	(90,383)
Effect of movements in exchange rates	-	-	311	(3)	61	-	369
At 31 December 2024	28,208	280,124	1,156,684	76,717	43,703	201	1,585,637
<i>Net book value</i>							
At 31 December 2023	115,175	188,088	588,328	17,821	9,326	746,133	1,664,871
At 31 December 2024	165,868	421,322	933,270	219,081	14,064	1,127,750	2,881,355

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

	Separate financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Asset under construction and installation	Total
<i>Cost</i>							
At 1 January 2023	145,302	406,164	1,351,513	107,502	55,280	261,211	2,326,972
Additions	-	-	13,007	3,035	2,007	745,435	763,484
Transfer	-	4,767	254,478	3,429	-	(262,674)	-
Disposals	(13,171)	(49,194)	(78,007)	(29,939)	(5,407)	-	(175,718)
At 31 December 2023 and 1 January 2024	132,131	361,737	1,540,991	84,027	51,880	743,972	2,914,738
Additions	52,044	2,586	8,852	177,003	9,459	1,189,326	1,439,270
Transfer	1,584	265,314	494,723	43,724	-	(805,345)	-
Disposals	(24)	(6,030)	(66,241)	(12,658)	(4,251)	-	(89,204)
At 31 December 2024	185,735	623,607	1,978,325	292,096	57,088	1,127,953	4,264,804
<i>Depreciation and impairment losses</i>							
At 1 January 2023	32,876	235,994	979,384	89,258	42,700	-	1,380,212
Depreciation for the year	3,074	20,902	103,254	7,560	5,261	-	140,051
Disposals	(11,998)	(37,788)	(77,442)	(29,851)	(5,407)	-	(162,486)
At 31 December 2023 and 1 January 2024	23,952	219,108	1,005,196	66,967	42,554	-	1,357,777
Depreciation for the year	2,762	28,779	146,816	18,341	4,383	-	201,081
Disposals	(24)	(5,236)	(65,173)	(12,002)	(3,913)	-	(86,348)
At 31 December 2024	26,690	242,651	1,086,839	73,306	43,024	-	1,472,510
<i>Net book value</i>							
At 31 December 2023	108,179	142,629	535,795	17,060	9,326	743,972	1,556,961
At 31 December 2024	159,045	380,956	891,486	218,790	14,064	1,127,953	2,792,294

The gross amount of the Group and Company's fully depreciated land improvement, plant and equipment that was still in use as at 31 December 2024 amounted to Baht 672.68 million and Baht 643.37 million, respectively (2023: Baht 697.09 million and Baht 659.53 million).

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

12 Goodwill

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

Impairment testing for CGU containing goodwill

The recoverable amount of this CGU was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations of All Coco Group Co., Ltd., which the carrying amount of the CGU was determined to be lower than its recoverable amount therefore no impairment losses to be recognised as of 31 December 2024 and 2023.

Key assumptions used in the estimation of value in use	Consolidated financial statements	
	2024	2023
	<i>(%)</i>	
Discount rate	8.27	5.72
Terminal value growth rate	1.0	0.0

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

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

13 Other current payables

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

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

14 Provisions for employee benefits

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

Defined benefit plan

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

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

Other long-term employee benefit

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

	Consolidated financial statements		Separate financial statements	
<i>Principal actuarial assumptions</i>	2024	2023	2024	2023
	<i>(%)</i>			
Discount rate	2.88 - 3.15	2.49 - 3.15	3.15	3.15
Future salary growth	5	5	5	5
Employee turnover	0 - 34	0 - 37	0 - 27	0 - 27

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

As at 31 December 2024, the weighted-average duration of the defined benefit obligation was 21.67 - 27.26 years (2023: 24.00 - 29.19 years).

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

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	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Discount rate	(8,736)	(7,598)	10,186	8,908
Future salary growth	11,150	9,017	(9,622)	(7,788)
Employee turnover	(9,457)	(8,243)	3,781	3,517
Future mortality	483	417	(479)	(414)

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

15 Share capital

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

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

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

Share premium

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

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

16 Share-based payments

The Employee Joint Investment Program (EJIP)

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

At the Board of Directors Meeting held on 1 March 2024, the Board has approved the Employee Joint Investment Program (EJIP) with a term of 3 years to qualifying management and employees of the Company. The duration of paid contribution is 1 year. The company will deduct money from payroll of participants who join the program not over 10% of the base salary of each participant on a monthly basis and put into the fund till the end of the program period. This amount will represent 15% of the total program contribution budget. The company will contribute the remaining 85% of the total program contribution budget on monthly basis.

Expenses for share-based payment transactions for Employee Joint Investment Program (EJIP) in the consolidated and separate financial statements for the year ended 31 December 2024 were Baht 18.06 million (2023: Baht 5.91 million).

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

17 Legal reserves

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

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

18 Segment information and disaggregation of revenue

(a) Segment information

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

Segment 1	Health drinking products
Segment 2	Coconut products

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

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

Year ended 31 December	Consolidated financial statements											
	Health drinking products		Coconut products		Other segments		Total		Eliminate		Net	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(in thousand Baht)											
Information about reportable segments												
External revenues	6,432,577	5,813,355	338,941	219,808	3,860	19,405	6,775,378	6,052,568	-	-	6,775,378	6,052,568
Inter-segment revenue	16	8	122,309	74,265	-	-	122,325	74,273	(122,325)	(74,273)	-	-
Total revenue	6,432,593	5,813,363	461,250	294,073	3,860	19,405	6,897,703	6,126,841	(122,325)	(74,273)	6,775,378	6,052,568
Disaggregation of revenue												
Primary geographical markets												
Thailand	1,115,822	974,717	341,788	251,330	-	-	1,457,610	1,226,047	(85,912)	(74,273)	1,371,698	1,151,774
Asia	3,416,252	2,986,163	113,323	40,224	291	-	3,529,866	3,026,387	(36,413)	-	3,493,453	3,026,387
Europe	1,254,771	1,393,615	-	719	3,569	19,405	1,258,340	1,413,739	-	-	1,258,340	1,413,739
America	440,948	270,576	6,139	1,800	-	-	447,087	272,376	-	-	447,087	272,376
Others	204,800	188,292	-	-	-	-	204,800	188,292	-	-	204,800	188,292
Total revenue	6,432,593	5,813,363	461,250	294,073	3,860	19,405	6,897,703	6,126,841	(122,325)	(74,273)	6,775,378	6,052,568
Major products												
Drinks	5,932,811	5,305,216	358,616	235,635	3,860	19,405	6,295,287	5,560,256	(45,000)	(33,499)	6,250,287	5,526,757
Healthy food products	173,305	208,901	-	-	-	-	173,305	208,901	-	-	173,305	208,901
Others	326,477	299,246	102,634	58,438	-	-	429,111	357,684	(77,325)	(40,774)	351,786	316,910
Total revenue	6,432,593	5,813,363	461,250	294,073	3,860	19,405	6,897,703	6,126,841	(122,325)	(74,273)	6,775,378	6,052,568

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

<i>Year ended 31 December</i>	Consolidated financial statements											
	Health drinking products		Coconut products		Other segments		Total		Eliminate		Net	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	<i>(in thousand Baht)</i>											
Share of profit (loss) of investments in associates and joint venture	361	(988)	-	-	(1,572)	(19,132)	(1,211)	(20,120)	-	-	(1,211)	(20,120)
Segment profit (loss) before income tax	1,542,498	1,401,072	30,847	(54,623)	5,369	(22,058)	1,578,714	1,324,391	(14,933)	891	1,563,781	1,325,282
Interest income	8,249	4,307	-	-	-	-	8,249	4,307	(215)	(536)	8,034	3,771
Depreciation and amortisation	218,329	157,417	18,959	20,267	-	413	237,288	178,097	-	-	237,288	178,097
Tax expense	295,603	280,815	2,266	(6,088)	-	38	297,869	274,765	-	-	297,869	274,765
Investment in associates and joint venture	19,470	19,110	-	-	56,297	80,069	75,767	99,179	-	-	75,767	99,179
Segment assets	5,893,429	5,693,921	256,755	218,785	237,208	240,048	6,387,392	6,152,754	(466,552)	(472,513)	5,920,840	5,680,241
Segment liabilities	1,385,043	1,752,980	63,469	54,698	36,803	46,049	1,485,315	1,853,727	(55,396)	(69,351)	1,429,919	1,784,376

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

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

(b) Geographical segments

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

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

(c) Major customer

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

(d) Promotional privileges

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

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

19 Other income

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

20 Expenses by nature

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

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

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

21 Earnings per share

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

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

22 Dividends

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

23 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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

	Consolidated / Separate financial statements							
	Carrying amount			Fair value				
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total
<i>At 31 December</i>								
2024								
Financial assets								
Other financial assets:								
Fixed deposit at financial institution	-	-	10,051	10,051				
Investment in debt instruments	992,152	-	29,965	1,022,117	-	1,022,300	-	1,022,300
Non-marketable fund of funds	-	17,431	-	17,431	-	-	17,431	17,431
Total other financial assets	992,152	17,431	40,016	1,049,599				
Financial liabilities								
Other financial liabilities:								
Derivatives liabilities	(708)	-	-	(708)	-	(708)	-	(708)
2023								
Financial assets								
Other financial assets:								
Investment in debt instruments	1,957,422	-	49,896	2,007,318	-	2,007,345	-	2,007,345
Non-marketable fund of funds	-	10,630	-	10,630	-	-	10,630	10,630
Total other financial assets	1,957,422	10,630	49,896	2,017,948				
Derivatives assets	1,931	-	-	1,931	-	1,931	-	1,931

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

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

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Derivatives	Market value / Derived by using a valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding the Group's credit risk) and other risks to reflect true economic value.
Debt securities	The net asset value as of the reporting date.
Non-marketable fund of funds	The latest announcement net asset value and adjusted with capital call from investment unit after announced date until the reporting date.

	Consolidated / Separate financial statements				
Investment movement	At 1 January	Deposit / Purchase	Disposal (in thousand Baht)	Fair value adjustment	At 31 December
2024					
Financial asset					
Fixed deposit at financial institution	-	10,051	-	-	10,051
Debt instruments measured at					
- FVTPL	1,957,422	5,467,413	(6,468,506)	35,823	992,152
- Amortised cost	49,896	-	(20,000)	69	29,965
Non-marketable fund of funds measured at					
- FVOCI	10,630	6,801	-	-	17,431
2023					
Financial asset					
Debt instruments measured at					
- FVTPL	1,829,719	3,935,902	(3,835,902)	27,703	1,957,422
- Amortised cost	66,752	-	(17,000)	144	49,896
Non-marketable fund of funds measured at					
- FVOCI	-	10,630	-	-	10,630

(b) Financial risk management policies

Risk management framework

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

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

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

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

(b.1) Credit risk

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

(b.1.1) Trade accounts receivables

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

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

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

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

(b.1.2) Investment in debt securities

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

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

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

(b.1.3) Cash and cash equivalent and derivatives

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

(b.2) Liquidity risk

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

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

Consolidated financial statements					
			Contractual cash flows		
			More than		
			1 year but		
			less than 5	More than	
At 31 December	Carrying	1 year	years	5 years	Total
	amount	or less			
			(in thousand Baht)		
2024					
Non-derivative financial liabilities					
Trade payables	199,754	(199,754)	-	-	(199,754)
Other current payable	900,007	(900,007)	-	-	(900,007)
Loan from related parties	2,450	(2,450)	-	-	(2,450)
Lease liabilities	49,202	(11,988)	(28,001)	(19,312)	(59,301)
	<u>1,151,413</u>	<u>(1,114,199)</u>	<u>(28,001)</u>	<u>(19,312)</u>	<u>(1,161,512)</u>
Derivative financial liabilities					
Forward exchange contracts:					
- Cash outflow	(708)	(33,205)	-	-	(33,205)
- Cash inflow	-	32,497	-	-	32,497
	<u>(708)</u>	<u>(708)</u>	<u>-</u>	<u>-</u>	<u>(708)</u>

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

Consolidated financial statements					
At 31 December	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years		
			(in thousand Baht)		
2023					
Non-derivative financial liabilities					
Trade payables	270,820	(270,820)	-	-	(270,820)
Other current payable	1,214,577	(1,214,577)	-	-	(1,214,577)
Loan from related parties	9,470	(9,470)	-	-	(9,470)
Lease liabilities	60,719	(13,418)	(33,783)	(25,518)	(72,719)
	<u>1,555,586</u>	<u>(1,508,285)</u>	<u>(33,783)</u>	<u>(25,518)</u>	<u>(1,567,586)</u>
Derivative financial assets					
Forward exchange contracts:					
- Cash outflow	-	(380,641)	-	-	(380,641)
- Cash inflow	1,931	382,572	-	-	382,572
	<u>1,931</u>	<u>1,931</u>	-	-	<u>1,931</u>

Separate financial statements					
Contractual cash flows					
	Carrying	1 year	More than 1	More than	
<i>At 31 December</i>	amount	or less	year but less	5 years	Total
			than 5 years		
			<i>(in thousand Baht)</i>		
2024					
<i>Non-derivative financial liabilities</i>					
Trade payables	201,249	(201,249)	-	-	(201,249)
Other current payable	868,962	(868,962)	-	-	(868,962)
Lease liabilities	39,485	(11,077)	(24,228)	(9,758)	(45,063)
	<u>1,109,696</u>	<u>(1,081,288)</u>	<u>(24,228)</u>	<u>(9,758)</u>	<u>(1,115,274)</u>
<i>Derivative financial liabilities</i>					
Forward exchange contracts:					
- Cash outflow	(708)	(33,205)	-	-	(33,205)
- Cash inflow	-	32,497	-	-	32,497
	<u>(708)</u>	<u>(708)</u>	<u>-</u>	<u>-</u>	<u>(708)</u>
2023					
<i>Non-derivative financial liabilities</i>					
Trade payables	278,991	(278,991)	-	-	(278,991)
Other current payable	1,202,143	(1,202,143)	-	-	(1,202,143)
Lease liabilities	50,531	(12,507)	(30,044)	(15,020)	(57,571)
	<u>1,531,665</u>	<u>(1,493,641)</u>	<u>(30,044)</u>	<u>(15,020)</u>	<u>(1,538,705)</u>

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

Separate financial statements					
Contractual cash flows					
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 5 years	More than 5 years	Total
<i>(in thousand Baht)</i>					
<i>Derivative financial assets</i>					
Forward exchange contracts:					
- Cash outflow	-	(380,641)	-	-	(380,641)
- Cash inflow	1,931	382,572	-	-	382,572
	<u>1,931</u>	<u>1,931</u>	<u>-</u>	<u>-</u>	<u>1,931</u>

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

(b.3) Market risk

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

(b.3.1) Foreign currency risk

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

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

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

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

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

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

(b.3.2) Interest rate risk

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

24 Capital management

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

25 Commitments with non-related parties

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

4

Attachments

Attachment 1

Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company's secretary

Mr. Natee Onin (Age 52)

Position : Chairman of the Board of Directors

Type of Director : Non-executive Director

Period of directorship at SAPPE : 11 years 4 months (since 2 September 2013)

Nationality : Thai

Education :

- Ph.D. Business Administration, Ramkhamhaeng University
- M.Sc. International Business, London South Bank University, UK
- Bachelor's degree, 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
- Chairman Forum, topic: "Clean Business: What is the Chairman Role?" Class 1/2014
- Director Accreditation Program (DAP), Class 106/2013
- Role of the Chairman Program (RCP), Class 32/2013

Others Training Courses :

- Politics and Economics program for Executive, Class 1/2020, Srinakharinwirot University

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : None
- Held by spouse : 0.01 / Held by minor children : None

Family Relationship of Management :

- Spouse of Mrs. Yata Onin (Chief Brand Innovation & Growth Officer)

Past 5 Year Experiences :

- Listed companies in the Stock Exchange of Thailand : None
- Non-listed companies in the Stock Exchange of Thailand :

November 2024 – Present	Director	Klong Ha Resort 2024 Company Limited / Daily and monthly room rental services
February 2024 – Present	Director	ONT 2024 Company Limited / Buy, sell, and lease land and buildings
February 2024 – Present	Director	RSP 2024 Company Limited / Buy, sell, and lease land and buildings
February 2024 – Present	Director	TMC 2024 Company Limited / Buy, sell, and lease land and buildings
June 2023 – Present	Director	Tam Ngern Karnchang Company Limited / Real estate for residential purposes
October 2023 – Present	Director	Icon Packagers Company Limited / Manufacture and distribute packaging
November 2023 – Present	Director	Home Master Company Limited / Manufacturing and distribution of industrial



July 2021 – Present	Director	Neab Karnchang Company Limited / Apartment rental service for residential purpose
July 2021 – Present	Director	Penkhun Karnchang Company Limited / Apartment rental service for residential purpose
July 2021 – Present	Managing director	Bluecape Company Limited / Apartment rental service for residential purpose
August 2019 – Present	Director	Srinakharinwirot University / Bachelor of Science Program in Food Innovation and Business
July 2013 – Present	Director	Leisure House Company Limited / Construction business
January 2011 – Present	General Manager	TTT Corporation Company Limited (formerly known as Toyox Trading (Thailand) Company Limited) / Distributor of industrial hoses
May 2009 – Present	Director	Onin Property Company Limited / Real Estate Agent

Mr. Adisak Ruckariyaphong (Age 51)**Position :** Vice-Chairman and Chairman of Executive Committee**Type of Director :** Executive Director**Period of directorship at SAPPE :** 11 years 4 months (since 2 September 2013)**Nationality :** Thai**Education :**

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

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

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

Others Training Courses :

- Visionary Artificial Intelligence Partnership, Class 1/2024, Sripatum University
- Chief People Officer (CPO), Class 5/2015, Panyapiwat Institute of Management
- Senior Executive Program, Class 21/2015, Capital Market Academy Program (CMA)
- Academy of Business Creativity (ABC), Class 1/2013, Academy of Business Creativity, Sripatum University

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : 16.79
- Held by spouse : 0.003 / Held by minor children : None

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	Index Living Mall Public Company Limited /
	- Member of Audit Committee	Distributor of furniture, household goods, accessories, and appliances
	- Chairman of Investment Committee	
	- Chairman of Risk Management Committee	
- Non-listed companies in the Stock Exchange of Thailand :

March 2024 – Present	Chairman	TTT Corporation Company Limited (formerly known as Toyox Trading (Thailand) Company Limited) / Distributor of industrial hoses
September 2022 – Present	Director	WOPE Company Limited / Develop, manufacture, market, and distribute food and beverage products (indirect joint venture)
July 2022 – Present	Director	Pacific Tube & Industry (Thailand) Company Limited / Manufactures of PVC pipes and plastic tubes
March 2022 – March 2024	President	TTT Corporation Company Limited (formerly known as Toyox Trading (Thailand) Company Limited) / Distributor of industrial hoses
November 2018 – Present	Director	Kingkong Cruise Company Limited / Boat Service for tourism and travel
November 2017 – Present	Director	Coco Art Company Limited / Manufacturer and Distributor of coconut and other agricultural products
October 2017 – Present	Director	Toyox Asia (Thailand) Company Limited /



October 2016 – Present	Director	Manufacturer of industrial hoses
September 2016 – Present	Director	All Coco Group Company Limited / Manufacturer and distributor of coconut products (indirect subsidiary)
December 2015 – Present	Director	Hose Center Company Limited / Manufacturer and distributor of industrial hoses
June 2015 – Present	Director	Sappe Hong Kong Company Limited / Management service for associated companies (indirect subsidiary)
May 2015 – Present	Director	Sappe Trading (Hong Kong) Company Limited / Import, export, and distribution of goods (indirect subsidiary)
September 2011 – Present	Director	Sappe Holding (Thailand) Company Limited / Management service for associated companies (direct subsidiary)
September 2010 – Present	Director	Mitan Interior Design Service Company Limited / Wholesale of household electronic appliances
July 2008 – Present	Director	Hayashi Products Company Limited / Distributor of condoms
2007 – February 2022	Managing Director	Sappe Corporation Company Limited / Distributor of non-alcoholic beverages
		Toyox Trading (Thailand) Company Limited / Distributor of industrial pipes

Mr. Anan Ruckariyapong (Age 81)

Position : Director and President

Type of Director : Executive Director

Period of directorship at SAPPE : 11 years 4 months (since 2 September 2013)

Nationality : Thai

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

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

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : 1.62
- Held by spouse / Held by minor children : None

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 :

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



Ms. Piyajit Ruckariyapong (Age 49)**Position :** Director and Chief Executive Officer**Type of Director :** Executive Director**Period of directorship at SAPPE :** 11 years 4 months (since 2 September 2013)**Nationality :** Thai**Education :**

- Bachelor's degree, Liberal Arts (with honors), University of Sheffield, England

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

- Director Certification Program (DCP), Class 327/2022
- Director Accreditation Program (DAP), Class 103/2013

Others Training Courses :

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

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : 17.72
- Held by spouse / Held by minor children : None

Family Relationship of Management :

- Daughter of Mr. Anan Ruckariyapong and sibling of Mr. Adisak Ruckariyaphong and Mr. Arnupap Ruckariyaphon

Past 5 Year Experiences :

- Listed companies in the Stock Exchange of Thailand : None
- Non-listed companies in the Stock Exchange of Thailand :

2023 – Present	Director	SAPPE Philippines Corporation / Distributor of functional drinks (indirect subsidiary)
September 2022 – Present	Director	WOPE Company Limited / Develop, manufacture, market, and distribute food and beverage products (indirect joint venture)
November 2016 – Present	Director	Sappe Trading (Shanghai) Company Limited / Distributor of health beverages (indirect subsidiary)
October 2016 – Present	Director	All Coco Group Company Limited / Manufacturer and distributor of coconut products (indirect subsidiary)
December 2015 – Present	Director	Sappe Hong Kong Company Limited / Management service for associated companies (indirect subsidiary)
June 2015 – Present	Director	Sappe Trading (Hong Kong) Company Limited / Import, export, and distribution of goods (indirect subsidiary)
May 2015 – Present	Director	Sappe Holding (Thailand) Company Limited / Management service for associated companies (direct subsidiary)
2019 – Present	Director	Danone Sappe Beverages Company Limited / Distributor of non-alcoholic beverages (affiliates)
July 2008 – Present	Director	Sappe Corporation Company Limited / Distributor of non-alcoholic beverages



Mr. Arnupap Ruckariyapong (Age 46)

Position : Director and Chief Project and Technology Officer

Type of Director : Executive Director

Period of directorship at SAPPE : 11 years 4 months (since 2 September 2013)

Nationality : Thai

Education :

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

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

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

Others Training Courses :

- The Story : The Ultimate Leadership Tool, Class 6/2023, Faculty of Communication Arts, Sripatum University
- Academy of Business Creativity (ABC), Class 3/2015, Academy of Business Creativity, Sripatum University

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : 15.28
- Held by spouse / Held by minor children : None

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 :

December 2022 –Present	Director	Khaoyai Property Company Limited / Real estate
December 2021 – Present	Director	M Intelligence Company Limited / Consulting service about digital transformation (affiliates)
2019 – Present	Director	All Coco Group Company Limited / Manufacturer and distributor of coconut products (indirect subsidiary)
December 2015 – Present	Director	Sappe Hong Kong Company Limited / Management service for associated companies (indirect subsidiary)
June 2015 – Present	Director	Sappe Trading (Hong Kong) Company Limited / Import, export, and distribution of goods (indirect subsidiary)
May 2015 – Present	Director	Sappe Holding (Thailand) Company Limited / Management service for associated companies (direct subsidiary)
2010 – Present	Director	Hayashi Products Company Limited / Distributor of condoms
July 2008 – Present	Director	Sappe Corporation Company Limited / Distributor of non-alcoholic beverages
September 2016 – 2020	Director	On Fifth Company Limited / Restaurant
March 2016 – 2020	Director	3T Engineering Company Limited / Manufacturer and distributor of conveyor belts for industrial factories



Mr. Thana Thienachariya (Age 55)**Position :** Director**Type of Director :** Independent Director**Period of directorship at SAPPE :** 11 years 4 months (since 2 September 2013)**Nationality :** Thai**Education :**

- Master's degree, Business Administration, Washington State University, USA
- Bachelor's degree, Economics (Second-class Honor), Chulalongkorn University

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

- Director Certification Program (DCP), Class 181/2013

Others Training Courses :

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

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : None
- Held by spouse / Held by minor children : None

Family Relationship of Management : None**Past 5 Year Experiences :**

- Listed companies in the Stock Exchange of Thailand :

April 2024 – Present	- Independent Director	GMM Grammy Public Company Limited / Holding company in broadcasting and entertainment
	- Audit Committee	
	- Nomination and Remuneration Committee	
	- Corporate Governance and Business Ethics Committee	
December 2020 – Present	- Independent Director	TQM Corporation Public Company Limited / Insurance and Life Insurance
	- Audit Committee	
November 2020 – Present	Chairman of the Board	Bluebik Group Public Company Limited / Management Consulting
November 2020 – Present	Advisor to the Chief Executive Officer	Siam Commercial Bank Public Company Limited / Commercial Bank
2015 – June 2022	Director	Aksorn Education Public Company Limited / Teaching media in various formats
2015 – October 2020	- Senior Executive Vice President Chief Marketing Officer	Siam Commercial Bank Public Company Limited / Commercial Bank
	- Head of External Communication & CSR (Acting)	
2012 – 2013	Chief Executive Officer	GMM Grammy Public Company Limited / Holding company in broadcasting and entertainment
2010 – 2011	Executive Vice President	Total Access Communication Public Company Limited (DTAC) / Telecommunications provider, Strategy & Corporate Affairs, Wireless & Mobile phone sales, and accessories



2005 – 2010	Vice President of Commercial Management	Total Access Communication Public Company Limited (DTAC) / Telecommunications provider, Strategy & Corporate Affairs, Wireless & Mobile phone sales, and accessories
• <u>Non-listed</u> companies in the Stock Exchange of Thailand :		
March 2024 – Present	Subcommittee Member	Office of National Reform, National Strategy, and Reconciliation / Government Agency
March 2024 – Present	Advisor	Thai Samsung Electronics Company Limited / Manufacturer of household electric stoves
February 2024 – Present	Executive Director	Magnolia Quality Development Corporation Limited / Real estate and land sales
June 2023 – Present	- Chairman - Independent Director	Laundry U Company Limited / Coin-operated laundry services
2023 – Present	Founder	House of Wisdom Company Limited / Management consulting services
2022 – Present	Advisor	Show No Limit Company Limited / Business exhibitions and product showcases
2022 – March 2024	Advisor	BASE Program (BJC BIGC ACADEMY OF SMART ENTREPRENEURS) / A program for developing personnel, technology, and creativity
2021 – May 2024	Director	Card X Company Limited / Financial services group under SCB X
2022 – April 2024	Director	Built One Group Company Limited / Software company for the construction business
2022 – 2023	Advisor	EVme Plus Company Limited / Provider of comprehensive electric vehicle rental services
2015 – September 2023	Founder and Director	Academy of Business Creativity (ABC), Sripatum University / University
July 2020 – 2023	Chairman	Purple Ventures Company Limited / Engaged in financial technology business
2013 – July 2020	Director	Southpaw Business Company Limited / Providing Marketing consulting and managing marketing projects
2016 – 2017	- Chairman - Executive Board Member	Digital Ventures Company Limited / Information technology services and other computer-related services
2012 – 2011	Chief Executive Officer	P.K. Garment (Import-Export) Company Limited (Mc Jeans) / Manufacturer of ready-made garments, specializing in jeans under the brand ‘Mc’

Mr. Surath Pralongsil (Age 54)**Position** : Director and Chairman of Audit Committee**Type of Director** : Independent Director**Period of directorship at SAPPE** : 11 years 4 months (since 2 September 2013)**Nationality** : Thai**Education** :

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

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

- Ethical Leadership Program (ELP), Class 35/2024
- Board's Roles in Purpose-driven Transition (PDT), Class 2/2024
- Business Transformation & Leadership Summit 2024
- Emerging Audit Standards and Implications for the Audit Committee 2024
- Director's Briefing, topic: "Building a Cyber-Resilient Board: Strategies for Effective Cybersecurity Oversight 2023"
- The01 Board's Role in Mergers & Acquisition, Class 1/2022
- National Director Conference, topic: Leadership Behind Closed Door (NDC), Class 1/2021
- What You Board Needs to Know about C-Suite Development (O-DB), Class 11/2021
- Director Certification Program (DCP), Class 259/2018
- Advance Audit Committee Program (AACP), Class 14/2014
- Director Accreditation Program (DAP), Class 106/2013

Others Training Courses :

- Academy of Business Creativity, Class 14/2023, Sripatum University
- AI: Recent and Future Evolution 2023, The Stock Exchange of Thailand
- Digital Transformation Exponential, Class 2/2018, RISE
- Strategic Chief Financial Officer, Class 9/2019, The Stock Exchange of Thailand
- Executive Development Program, Class 4/2009, The Thai Listed Companies Association

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : None
- Held by spouse / Held by minor children : None

Family Relationship of Management : None**Past 5 Year Experiences :**

- Listed companies in the Stock Exchange of Thailand :

October 2021 – May 2024	Chief Commercial Officer	TQM Alpha Public Company Limited / A holding company that primarily engages in insurance brokerage services
March 2019 – March 2021	- Director - Executive Vice President (Finance)	Kulthorn Kirby Public Company Limited / The manufacturing and distribution of reciprocating compressors
- Non-listed companies in the Stock Exchange of Thailand :

August 2022 – May 2024	Director	Bulk One Group Company Limited / Software company for the construction business
------------------------	----------	---

August 2022 – May 2024	Director	Kulthorn Premier Company Limited / The manufacturer of the motor compressor and quality iron casting
	Director	Kulthorn Kirby Foundry Company Limited / The manufacturer of the quality iron casting
	Director	Kulthorn Materials and Controls Company Limited / The manufacturer of the enameled copper wire and the thermostat used in refrigerators
	Director	Kulthorn Steel Company Limited / The Steel Coil Center for the manufacturer of motor compressor, electrical motor, and other parts
	Director	Kulthorn Metal Products Company Limited / The Manufacturer and distributor of Metal, Metallurgy, and Metal working
	Director	Kulthorn Research and Development Company Limited / research and development of technology and innovation

Mrs. Niratchara Siriamphunkul (Age 62)**Position** : Independent Director and Audit Committee**Type of Director** : Independent Director**Period of directorship at SAPPE** : 11 years 4 months (since 2 September 2013)**Nationality** : Thai**Education** :

- Bachelor's degree, Economics, Chiang Mai University

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

- Successful Formulation & Execution of Strategy (SFE), Class 36/2021
- Director Certification Program (DCP), Class 180/2013

Others Training Courses :

- Visionary Artificial Intelligence Partnership, Class 1/2024, Sripatum University
- Senior Executive Program, Class 5/2008, Capital Market Academy Program (CMA)

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : 0.006
- Held by spouse / Held by minor children : 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. Chanin Archjananun (Age 60)**Position** : Independent Director and Audit Committee**Type of Director** : Independent Director**Period of directorship at SAPPE** : 1 years 8 months (since 27 April 2023)**Nationality** : Thai**Education** :

- Master's degree, Business Administration, Western Illinois University, USA
- Bachelor's degree, Business Administration, Marketing, Assumption University

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

- Advanced Audit Committee Program (AACP), Class 34/2019
- Directors Certification Program (DCP), Class 231//2016

Percentage of SAPPE Shareholding (%) (*As of 31 December 2024*) :

- Held personally : None
- Held by spouse / Held by minor children : None

Family Relationship of Management : None**Past 5 Year Experiences** :

- Listed companies in the Stock Exchange of Thailand :

2016 – Present	- Independent Director	Thai Wa Public Company Limited / Manufacturing and distributing products made from tapioca flour, including food items such as vermicelli noodles and sago
	- Audit Committee member	
	- Risk Management and Corporate Governance Committee member	
	- Chairman of the Nomination and Remuneration Committee	
	- Business Strategy and Innovation Committee member	
	- Sustainability Committee member	
Sep 2021 – Present	- Independent Director	Aurora Design Public Company Limited / Retailer of gold jewelry, diamonds, and gemstones, along with other related businesses offering comprehensive one- stop services
	- Audit Committee Member	
	- Nomination and Remuneration Committee Member	
- Non-listed companies in the Stock Exchange of Thailand :

2023 – Present	Director	CJA Best Company Limited / Consumer goods sales
2023 – Present	Director	PKN Interholding Company Limited / Wholesale of licensed premium products
2022 – Present	Director	Gourmet Enterprises Company Limited / Other services related to real estate with remuneration or contracts
2022 – Present	Director	Vision Ventures Company Limited / Retail and wholesale of eyeglasses and lenses
2018 – Present	Director	Intermart (Thailand) Company Limited / Supermarket business
2018 – Present	Director	Natura Harvest Company Limited / Integrated farming
2017 – Present	Director	JS Asset Plus Company Limited / Integrated farming
2018 – Present	Director	Wanli Packing Enterprises Company Limited / Foam product manufacturer



Ms. Sutatip Chantharangsee (Age 46)**Position :**

- Corporate Secretary
- Secretary to the Board of Directors
- Secretary to the Audit Committee
- Assistant Vice President – M&A and New Business Partnership

**Appointment Date :** 13 December 2018**Nationality :** Thai**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 :

- How to Develop a Risk Management Plan (HRP), Class 36/2023
- Company Secretary Program, 2019

Others Training Courses :

- ESG Management Program, Class 1/2024, The Securities Exchange of Thailand and SASIN

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : 0.005
- Held by spouse / Held by minor children : 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 / Manufacturer of lime and chemical products
2007 – 2010	Assistant Vice President - Multi Corporate Business Department	Kasikorn bank Public Company Limited / Commercial Bank
- Non-listed companies in the Stock Exchange of Thailand :

2011 – 2014	Treasurer & Corporate Planning Team Lead	CUEL Company Limited / Design, procurement, and installation of oil drilling rigs
-------------	---	---

Duties and Responsibilities of the Company Secretary :

1. Prepare and retain the documents as follows:
 - a. Directors Register.
 - b. Invitation Letters to Attend the Board of Directors' Meeting, Board Meeting Minutes and Company's Annual Report.
 - c. Invitation Letters to the Annual General Meeting of Shareholders and Minutes of the Shareholder Meeting.
2. Keep reports on interest filed by directors or executives and submit a copy of the report on interest under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within seven business days from the date on which the Company has received such report.
3. Perform any other acts as specified in the Notification of the Capital Market Supervisory Board. In addition, the corporate secretary has other duties as follows:
 - Providing advice, supervising, coordinating and following up to ensure that the Board of Directors has complied with the objectives. Articles of Association Resolution Board of Directors and Shareholders' Resolutions Legal and regulatory requirements related.
 - Organize the Board of Directors' meeting and Shareholders' meeting.
 - Organize orientation and give advice for newly appointed directors.
 - Recommend appropriate training courses to the Board of Directors.
 - Coordinate with all department in its organization to comply with the resolution of the Board of Directors, the resolutions of the shareholders' meeting and governmental supervisory units.
 - Promote directors and executives to have knowledge and understanding of good corporate governance and the Company's business ethics. and follow up to ensure compliance with such principles as well as reviewing the good corporate governance and business ethics of the Company. comply with the law international practices and leading companies.
 - Ensuring that the Company treats all shareholders equally, fairly and in accordance with the law and strengthen good relationship with minority shareholders.
 - Coordinate various matters between shareholders, directors, executives and all stakeholders.
 - Perform other duties as assigned by the Company.

Mr. Anak Lapsuksatit (Age 45)**Position :** Chief Financial Officer**Appointment Date :** 1 March 2017 (The person assigned to take the highest responsibility in Accounting and Finance)**Nationality :** Thai**Education :**

- Master's degree, Faculty of Commerce and Accountancy, Marketing, Thammasat University
- Bachelor's degree, Faculty of Commerce and Accountancy, Banking and Finance, Thammasat University

Continuing Professional Development in Accounting :

- CFO Refresher Course, 2024 (6 hours), The Securities Exchange of Thailand
- CFO Refresher Course, 2023 (6 hours), The Securities Exchange of Thailand
- CFO Refresher Course, 2022 (6 hours), The Securities Exchange of Thailand

Others Training Courses :

- Strategic CFO in Capital Markets, Class 6/256, The Securities Exchange of Thailand
- MULTIPLIER® How the Best Leaders Ignite Everyone's Intelligence 2020, Pacrim Group
- The 4 Essential Roles of LEADERSHIP™ 2018, Pacrim Group
- The 7 Habits of Highly Effective People® 2014, Pacrim Group
- Leadership: Great Leaders, Great Teams, Great Results™ 2012, Pacrim Group

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : 0.014
- Held by spouse / Held by minor children : None

Family Relationship of Management : None**Past 5 Year Experiences :**

- Listed companies in the Stock Exchange of Thailand :

2017 – Present	Chief Financial Officer	Sappe Public Company Limited / Manufacturer and distributor of healthy food and beverages
2010 – 2017	Vice President of Strategy & Finance	Sappe Public Company Limited / Manufacturer and distributor of healthy food and beverages
2009 – 2010	Senior Vice President of Corporate Business	Kasikorn bank Public Company Limited / Commercial Bank
- Non-listed companies in the Stock Exchange of Thailand : None



Ms. Jarinya Buransuk (Age 41)**Position :** Vice President of Accounting

(The account preparer has the qualifications and conditions in accordance with the rules specified in the Notification of the Business Development Department)

Appointment Date : 24 June 2013 (Account Controller)**Nationality :** Thai**Education :**

- Master's Degree in Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University
- Bachelor's Degree in Accounting, Faculty of Management, Khon Kaen University

Continuing Professional Development in Accounting :2024

- 2025 Deferred Tax and the Impact of International Tax Reform - Pillar 2 Model Rules (7 hours)
- Understanding Pillar Two: Implications for Financial Statements (6 hours)
- In-Depth Analysis of TFRS for NPAs (Revised 2022): Key Tax and Legal Considerations, Including Investment Promotion (BOI) (6 hours)

2023

- 2024 Deferred Tax: General Principles, Impact on Lease Contracts, and Provisions for Dismantling and Restoration (7 hours)
- Seminar on Accounting, Tax, and Interesting Laws for the Year 2023 (6 hours)

2022

- Financial & Risk Instruments for Non-Financial Institutions (7 hours)
- TFRS 2023 (7 hours)

2021

- Financial Instruments for Non-Financial Institutions (7 hours)
- TFRS 2022 (Thai Accounting Standard and Thai Financial Reporting Standards Revised 2022) (7 hours)

2020

- CFO 2021 (7 hours)
- Thai Accounting Standard PAs 2020 (7 hours)

2019

- Transfer Pricing 2019 between related party (7 hours)
- (Draft) TFRS 16 Leases (7 hours)
- Revenue Recognition (TFRS 15) and changes of Accounting Standard related to PAs and NPAE (3 hours)
- Thai Financial Reporting Standards related to Financial Instruments (IFRS 9) and Leases (IFRS 16) in practice (2.30 hours)

2018

- New TFRS (7 hours)
- (Draft) TFRS 15 : Thai Financial Reporting Standards: Revenue Recognition (6.30 hours)

2017

- Accounting of investments in associates, subsidiaries and joint ventures (7 hours)
- Tax invoice, Non deductible Input VAT and solution (7 hours)
- Submission of Financial Statements to DBD e-Filing (e-Filing) (2 hours)



2016

- Difference between Accounting and Taxation 2016 (6.30 hours)
- Statement of Cash Flows workshop and case study (6.30 hours)
- Submission of Financial Statements to DBD e-Filing (e-Filing) (2 hours)

2015

- AEC The impact of company income tax (6.30 hours)
- TFRS 2016 (6.30 hours)

Percentage of SAPPE Shareholding (%) (As of 31 December 2024) :

- Held personally : 0.002
- Held by spouse / Held by minor children : None

Family Relationship of Management : None

Past 5 Year Experiences :

- Listed companies in the Stock Exchange of Thailand :

2024 – Present	Vice President of Accounting	Sappe Public Company Limited / Manufacturer and distributor of healthy food and beverages
2019 – 2024	Assistant Vice President of Accounting	Sappe Public Company Limited / Manufacturer and distributor of healthy food and beverages
2013 – 2019	Accounting Manager	Sappe Public Company Limited / Manufacturer and distributor of healthy food and beverages
- Non-listed companies in the Stock Exchange of Thailand :

2007 – 2013	Senior Auditor	KPMG Phoomchai Audit Company Limited / Audit service
-------------	----------------	--

Attachment 2

Details of the directors of subsidiaries

As of December 31, 2024, the directors (including related persons) holding directorships in subsidiaries, associated and related companies as follows:															
Names of directors	Direct subsidiaries	Indirect subsidiaries							Indirect Associated		Indirect joint venture	Related			
	Sappe Holding (Thailand) Co., Ltd.	Sappe Trading (Hong Kong) Co., Ltd.	Sappe Hong Kong Co., Ltd.	Sappe Trading (Shanghai) Co., Ltd.	All Coco Group Co., Ltd.	All Coco Co., Ltd.	K Best Farm Co., Ltd.	SAPPE Philippines Corporation	Danone Sappe Beverages Co., Ltd.	M Intelligence Co., Ltd.	WOPE Co., Ltd.	Sappe Corporation Co., Ltd. (Liquidation period)	TTT Corporation Co., Ltd. (Previously, Toyox Trading (Thailand) Co., Ltd.)	Hayashi Products Co., Ltd.	Social Lab Co., Ltd.
1.Mr. Natee Onin	-	-	-	-	-	-	-	-	-	-	-	-	✓	-	-
2.Mr. Adisak Ruckariyaphong	✓	✗	✗	-	✓	-	-	-	-	-	✗	✓	✗	✓	-
3.Mr. Anan Ruckariyapong	-	-	-	-	-	-	-	-	-	-	-	✗	-	-	-
4.Mr. Arnupap Ruckariyapong	✓	✓	✓	-	✓	-	-	-	-	✓	-	✓	-	✓	-
5.Ms. Piyajit Ruckariyapong	✗	✓	✓	✓	✓	-	-	✓	✓	-	✓	✓	-	-	-
6.Mrs. Niratchara Siriamphunkul	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.Mr. Thana Thienachariya	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.Mr. Surath Pralongsil	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.Mr. Chanin Archjananun	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Person related to director															
1.Mrs. Yata Onin	-	-	-	-	-	-	-	✓	-	-	-	-	-	-	-
Spouse of Mr. Natee Onin															
2.Mrs. Chatpawee Ruckariyaphong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	✓
Spouse of Mr. Adisak Ruckariyaphong															

Remark: ✗ = Chairman and ✓ = Director

Attachment 3

Details of the Head of Internal Audit

The company hired **P&L Corporation Company Limited to conduct the 2024** internal audit and the details of the chief internal auditor are as follow:

Ms. Monnapat Phumirattanajarin, Vice President at P&L Corporation Company Limited provides internal audit service for listed companies (both SET and MAI) and other private companies as well as companies in the process to be listed in the Stock Exchange of Thailand around 60 firms in total.

Education

- Master's degree in accountancy (Master of Accountancy), Faculty of Commerce and Accountancy, Chulalongkorn University
- Bachelor's degree in accounting, College of Innovative Business and Accountancy, Dhurakij Pundit University

Working Experience

- Vice President – P&L Corporation Company Limited
- Marketing Officer – Seamico Securities Public Company Limited
- Assistant Teacher – Dhurakij Pundit University (College of Innovative Business Accountancy)
- Accountant staff – The sustainable energy project under the Appropriate Technology Association (Energy Ashram)

Training / Diploma / Certificate

- Internal auditing certificate from the Internal Auditing Certificate Program (IACP)
- Certificate from the Institute of Internal Auditors of Thailand (CPIAT)
- Independent auditor certificate in small and medium-sized enterprises (CAC SME Independent Auditor Certification) from the Thai Institute of Directors (IOD)
- ICDL Data Protection Certification from the Digital Skills Development and Testing Institute (DDTI)
- The Institute of Internal Auditors of Thailand (IIA)
 - Technique for Risk Universe & Audit Universe Development under Manufacturing Business Processes
 - Ethical Audit
 - Clinic IA : Topic '2017 Standards Updates USAGE, And Conformance'
 - Clinic IA : Topic 'Fraud Audit and Caution for Auditor'
 - Clinic IA : Topic 'Board and management relationship'
 - Clinic IA : Topic 'Agile Auditing'
 - Clinic IA : Topic 'Top Risk 2021 & IT Audit Roles'
 - Clinic IA : Topic 'Fraud Audit in the Digital Era'
 - Clinic IA : Topic 'The Convergence of Security Governance and Data Privacy'
 - Clinic IA : Topic 'State of Cyber Security 2021 & Cyber Practices by Thai SEC'
 - Clinic IA: Topic 'Business Process Auditing and Integrated Audit'
- Chulalongkorn University - Pre-CIA course
- Thailand Securities Institute (TSI) - Training Analysis Fundamental Information in Financial market and stock market
- Political Science Association of Kasetsart University
- Personal Data Protection Act (PDPA) for Internal Audit Class 6

- How to Become an Effective Internal Auditor – Federation of Accounting Professions
- Financial Reporting Standards for Entities Without Public Accountability (NPAEs) – Chulalongkorn University Commerce Alumni Association
- Internal Control for Compliance with Key Laws for Business Sustainability – Chulalongkorn University Commerce Alumni Association
- IA vs EA: Similarities and Differences – IIA
- Internal Control and Risk Prevention for Business Governance – Department of Business Development (DBD)
- Preventing and Eradicating Inappropriate Behavior of Listed Companies – SET, SEC, IOD
- Data Leak Protection Basic: Learn the Basics of Preventing Data Leakage – Federation of Accounting Professions
- CAE Forum 2024: The Role of CAE and IA with Global IA Standards 2024 – SET, SEC, IOD

Attachment 4

Assets for Business Operations and Details About Asset Appraisal Items

1. Assets for Business Operations

1.1 Fixed Assets Used in Business Operations

As of 31 December 2024, fixed assets of the company and its subsidiaries that are used in business operations are as follows:

Type / Characteristic	Net Book Value as of 31 December 2024 (Million Baht)	Characteristics of Ownership	Obligation
1. Land and land improvement	165.87	Owner	None
2. Buildings and building improvement	421.32	Owner	None
	41.41	Right of use assets	Yes
3. Machinery and equipment	933.27	Owner	None
4. Decoration and installation items and office items	219.08	Owner	None
5. Vehicles	14.06	Owner	None
6. Assets under construction and installation	1,127.75	Owner	None
Total	2,922.76		

Remark: The company and its subsidiaries have buildings, building improvement and land improvement including decoration and installation items of the assets on the land where the company made a rental agreement with the company's major shareholder and the shareholder of indirect subsidiary.

1.2 Intangible Assets

As of 31 December 2024, the company and its subsidiaries owned computer software, patent and copyrights as follows:

Lists of Assets	Net Book Value as of 31 December 2024 (Million Baht)	Ownership	Obligation
Software copyright ^{1/}	24.55	Owner	None
Trademark and copyright ^{2/}	27.37	Owner	None
Product design expense	0.20	Owner	None
Total	52.12		

Remark: ^{1/}Computer software to be written off in 3-10 years.

^{2/}Trademark and copyright to be retired in accordance with patent life of that particular trademark or copyright.

1.3 Important Agreements of the Company

1.3.1 Lease Agreement

(A) Lease Agreements of Land and Factory

The company made a lease agreement of empty land/land with structure with the major shareholder of the company to be used as its factory, office and warehouse. The details are as follows:

1) Bangchan Office (the company's former factory): The office is located in Bangchan Industrial Estate, Serithai road, Kannayao district, Bangkok on a plot of 2 rai, 1 ngan and 88.2 sq. wah. The company leases land with structure including a factory building, an office building and other facilities. On the leased land, the company also constructed additional structures under its ownership.

2) Khlong 13 Factory: The factory is located on Pathum Thani 3012 rural road (on the west side of Khlong 13), Lam Luk Ka district, Pathum Thani province on a plot of 97 rai, 3 ngan and 49 sq. wah. The company made a lease agreement of empty land and later constructed the factory building and other structures under its ownership.

The lease agreement of land with building at Bangchan Office was 3 years with a 3-year extension option. As of 31 December 2024, the fixed assets including buildings, structures and other assets in which the company invested and installed on the rental land were worth 14.06 million baht, and the net book value was 0.84 million baht.

Making the lease agreement of assets at Bangchan Office is counted as the connected transaction which was endorsed by the audit committee meeting and received approval from the Board of Directors' meeting. The directors who have interest in this transaction did not attend the meeting and did not take part in the voting to approve the transaction.

The lease agreement of the Khlong 13 factory was 20 years and the company has invested in construction of a factory building and other facilities on the land. The construction started in 2010 and completed as well as commenced production in 2012. As of 31 December 2024, the fixed assets including a factory building, structures and other assets in which the company invested and installed on the land were worth 635.95 million baht in cost value and 389.31 million for net book value.

The lease agreement of assets at the Khlong 13 factory is regarded as the connected transaction which was endorsed by the audit committee meeting and received approval from the Board of Directors' Meeting. In addition, the directors who have interest in this transaction did not take part in the consideration and voting at the meeting to approve the transaction.

The company arranged appraisals of land/land with structures in both properties that the company made lease agreements. The appraisals were conducted by an independent appraiser, Agency for Real Estate Affairs Co., Ltd., which has been approved by the Securities and Exchange Commission according to the appraisal reports dated 7 August 2013 and 8 August 2013. The appraisals were made for public purpose.

(B) Lease Agreement of Land with Structures of Bangchan Office

Gist of Agreement	
Parties of Agreement	<i>Lessee</i> : Sappe Public Company Limited <i>Lessor</i> : Mr. Anan Ruckariyapong
Relationship between the parties and the company	Mr. Anan Ruckariyapong is the president and also the director who is authorized to sign on behalf of the company. He holds the company's share at 1.62% of the issued shares (As of 31 December 2024)
Assets under Lease Agreement	Land, factory and other structures Title deed number 123454 with land area of 2 rai, 1 ngan and 88.20 sq. wah. Located at 9/3, Soi Serithai 56, Bangchan Industrial Estate, Serithai road, Kannayao subdistrict, Kannayao district, Bangkok, 10230.
Term of Agreement	The lease period is 3 years, starting from October 1, 2022, and ending on September 30, 2025. This year, the company has renewed the lease for another 3 years, and . Upon expiration, the lessee is entitled to extend the agreement for another 3 years at the time of renewal under the same terms and conditions. The rental rate will increase by 3% from the last agreed rate and will be adjusted annually at the same rate as the yearly rental adjustment.
Rental rate	The rental rate for the 2 nd year (October 2023 – September 2024) is 522,966 THB per month. The rental rate for the 3 rd year (October 2024 – September 2025) is 538,655 THB per month.

Gist of Agreement	
Rental rate setting	Rental rate is referred from the assessment of the independent appraiser. The initial rate in the first year for the factory and other structures was equal to the appraised rental price of the factory, and added with the rental fee of remaining land at 5% of the land appraisal price. The rental fee shall be increased in the following years at 3% per year.
Appraisal Price	<p><u>Market price for buy and sell</u></p> <ul style="list-style-type: none"> Land: 34.59 million baht (Calculated the annual rental rate at 5% of the land appraisal price in the part under the lease agreement so the land rental fee is equal to 53,586 baht/ month) Building: 14.29 million baht (Appraisal price of all buildings and structures) <p><u>Market price for rental fee (Only the part under the lease agreement)</u></p> <ul style="list-style-type: none"> Factory area 130 baht/sqm./month Office area 169 baht/sqm./month <p>Total rental fee of building 335,550 baht/month</p>
- Name of Independent Appraiser	Agency for Real Estate Affairs Co., Ltd
- Date of Appraisal	31 July 2013
Important conditions of the agreement	<ul style="list-style-type: none"> When the lease agreement ends and the lessee does not want to continue leasing the property, and the lessor desires to sell the land with other structures in this agreement, the lessor agrees to give the right to the lessee to buy the property before other buyers at the appraisal price assessed by the independent appraiser which has been approved by the Securities and Exchange Commission. The lessee can terminate the tenancy before the end of the leasing term by submitting a written notice not less than 60 days in advance but the lessor is not allowed to terminate the agreement before the end of the term. If the agreement expires and the lessor does not want the lessee to extend the tenancy, the lessor must inform the lessee in advance with a written notice at least 1 years before the end of the agreement term. When the lease agreement is due without an extension of tenancy, or the agreement is ended by any cause, the lessee shall be allowed to transfer the factory and structures built before and/or within the lease duration into ownership of the lessor without any payment, except that the lessor does not want to own the structures which were constructed by the lessee. The lessor can also request the lessee to demolish those structures with the expense in the responsibility of the lessee. In case that the lease agreement ends with breach of agreement committed by the lessor, the lessor must be responsible for the construction expense of building, factory and other structures which were constructed or enlarged before and/or within the duration of the agreement term to the lessee at the market price, and/or the price assessed by the independent appraiser which is endorsed by the Securities and Exchange Commission, and agreed by both parties as appraiser.

(C) Lease Agreement of Khlong 13 Factory

Gist of Agreement	
Parties of Lease Agreement	<p><i>Lessee</i> : Sappe Public Company Limited</p> <p><i>Lessor</i> : Ruckariyapong Group of Persons</p>
Relationship between the parties and the company	The group of persons consists of 6 members: Mr. Anan Ruckariyapong, Mr. Adisak Ruckariyaphong, Mrs. Somnuk Isoonpisarnsiri, Mr. Arnupap Ruckariyapong, Ms. Piyajit Ruckariyapong and Mr. Thanarat Ruckariyapong who are the directors, executives and/or the major shareholders of the company with collective holding of 73.91% of issued shares (As of 31 December 2024).

Gist of Agreement	
Assets under Lease Agreement	Empty land with title deed numbers: 208, 146943, 146944 and 146945. The plot of 97 rai, 3 ngan and 49 sq.wah. is located on rural road Pathum Thani 3012 (West of Khlong 13), Phuett Udom, Lam Luk Ka district, Pathum Thani province 12150.
Term of Lease Agreement	20 year-term, started from 1 October 2013 and ends 30 September 2033.
Rental rate	Rental rate in the 11 year (October 2023–September 2024) is 186,506 baht per month, and the rate in the 12 year (October 2024–September 2025) is 190,236 baht per month.
Rental rate setting	The rental rate setting is referred from the appraisal of the independent appraiser with the annual rate in the first year equal to 5% of the appraised land price, and to be increased by 2% per year for the rest of the agreement term.
Appraisal Price	Land: 61.20 million baht
- <i>Name of Independent Appraiser</i>	Agency for Real Estate Affairs Co., Ltd.
- <i>Date of Appraisal</i>	30 July 2013
Important conditions of lease agreement	<ul style="list-style-type: none"> - After the expiration of the 3 year term counting from the date specified in this agreement, the lessor agrees that if the lessee desires to purchase the assets, the lessor will sell them to the lessee and both parties shall separately select one independent appraiser which has been approved the Securities and Exchange Commission. The transaction shall be made under the average price of the appraisal price assessed by the two independent appraisers (Average Appraisal Price). - Throughout the duration of tenancy, the lessor agrees not to sell the assets to other persons in any case, and if the lessor wants to sell the land and structures (if any) when the 20-year-term ends under this lease agreement, the lessor has to inform the lessee in a written notice at least 3 years before the end of the agreement. However, the notification from the lessor is not regarded as depriving the right of the lessee to buy the leased assets from the lessor. - When the 20-year tenancy expires and the lessor shall propose to sell the leased assets to the lessee or offer continuity of tenancy, the lessor has to offer at the average appraisal price (the price is calculated from the land only and is not included the structures on the leased land). If the lessee refuses to buy the leased assets, or does not respond to the offer within 60 days of the date of offering, the lessor is entitled to sell the land and the buildings of the lessee on that plot (if any) to other persons when the 20-year term of the lease agreement ends. - When the 20-year tenancy expires and the lessor shall propose to sell the leased assets to the lessee or offer continuity of tenancy, the lessor has to offer at the average appraisal price (the price is calculated from the land only and is not included the structures on the leased land). If the lessee refuses to buy the leased assets, or does not respond to the offer within 60 days of the date of offering, the lessor is entitled to sell the land and the buildings of the lessee on that plot (if any) to other persons when the 20-year term of the lease agreement ends. - If the lessor wants the lessee to continue asset tenancy, the lessor shall offer a deal that both sides jointly agree in relevant matters including duration of the lease, rental rate, and terms and conditions. In this case, the lessor is required to offer a deal to the lessee before other persons. - The lessee is entitled to terminate the lease agreement before the end of the term by informing the lessor with a written notice not less than 60 days in advance, but the lessor cannot terminate the agreement before the expiration of the agreement. - When the lease agreement expires and the lessee has yet agreed to buy the assets or does not request for an extension of tenancy, or the agreement is ended by any cause, except the lessor breaches the agreement, the lessee allows the transfer of the factory and other structures constructed before and/ or within the lease term to be in ownership of the lessor without payment.

Gist of Agreement

In case that the lessor does not want to own the structures constructed by the lessee, the lessor can request the lessee to demolish the structures and be responsible for the relevant expense.

- In case that the lease agreement comes to an end as the lessor breaches the contract, the lessor shall be responsible for the construction expense of building, factory and other structures in which the lessee constructed before and/or within the lease term for the lessee at the average appraisal price for the building and structures.

(D) Lease Agreement of Ramkhamhang Office

Gist of Agreement

Parties of Agreement	<i>Lessee:</i> Sappe Public Company Limited <i>Lessor:</i> S.P. International Co., Ltd.
Relationship between the agreement parties and the company	-None-
Assets under Lease Agreement	S.P. Arcade Building, 3 rd floor with a total area of 1,507.7 sq.m. The building is located at 71, Ramkhamhaeng road, Hua Mark subdistrict, Bangpaki district, Bangkok 10240.
Term of Lease Agreement	The lease period is 3 years, starting from September 16, 2020, and ending on September 15, 2023. This year, the company has renewed the lease for another 3 years, from September 16, 2023, to September 15, 2026. Upon expiration, if the lessee agrees to continue renting the premises, both parties shall enter into a new lease agreement. In case of a rental and service fee adjustment, the lessor agrees that the increase shall not exceed 15% of the existing rental and service fees.
Rental rate and service rate	655,850 baht per month

1.3.2 Agreement of Distributor Appointment

Agreement Party / Relationship with the Company	Gist of Service under Agreement	Terms of Agreement
1. Agreement between the Company (Product Owner) and Durbell Co., Ltd. (Distributor) <i>Relationship with the Company:</i> -None -	The company sells its products specified in the agreement to the distributor in order to distribute them in domestic retail and wholesale shops which are not 'Chain Store' whereas the distributor shall receive payment at a percentage of the price distributed to wholesale shops.	The lease period is 3 years (from September 11, 2020, to August 31, 2023). This year, the company has renewed the lease for another 3 years (from September 1, 2023, to August 31, 2026) with an option for automatic renewal in 3-year terms, as specified in the contract.

1.3.3 Asset Insurance

The company has industrial all risks insurance and business interruption insurance for Bangchan office, Khlong 13 factory, Ramkhamhaeng office, and Wang Noi storage LF Logistics (Thailand) Limited with a total insured sum of 3,591.87 million baht which covers the book value of that insured assets. The company also has public liability insurance with sum insured of million baht. Details are summarized as follows:


Type of Policy	Insurance Company	Insured Assets	Sum Insured (Million Baht)	Period of Insurance	Insured
1. Industrial All Risks Insurance Policy	Dhipaya Insurance Public Company Limited (40%)	No. 8,18,19 Moo 7, Phuet Udom subdistrict, Lam Luk Ka district, Pathum Thani province 12150,	2,514.31*		Sappe Public Company Limited

Type of Policy	Insurance Company	Insured Assets	Sum Insured (Million Baht)	Period of Insurance	Insured
	Muangthai Insurance Public Company Limited (20%)	No. 9/3 Bangchan Industrial Estate, Serithai road, Kannayao subdistrict, Kannayao district, Bangkok 10230,		30 October 2024 – 30 October 2025	
	Bangkok Insurance Public Company Limited (10%)	Ramkhamhaeng Office 71 , Ramkhamhaeng road, Hua Mark subdistrict, Bangkapi district, Bangkok 10240,			
	Allianz Ayudhya Insurance Public Company Limited (7%)	And			
	Thaipaboorn Insurance Public Company Limited (5%)	Wang Noi Storage LF Logistics (Thailand) Limited No. 505 Moo 2, Khlong Chik subdistrict, Bang Pa-in district, Ayutthaya province.			
	MSIG Insurance Public Company Limited (5%)	<u>Coverage</u>			
	Navakij Insurance Public Company Limited (5%)	- Building (Footing is excluded) including building improvement etc.			
	Krungthai Panich Insurance Public Company Limited (5%)	- Furniture, fixtures, office equipment			
	Indara Insurance Public Company Limited (3%)	- Machinery and equipment			
		- Stock of finished goods, good in process, raw materials as well as packages			
		- Electrical substation			
		- Solor Roof			
		<u>Extended Coverage</u>			
		- Fractures caused by glass accident			
		- Electrical Injuries			
		- Loss or damage of insured assets arising from robbery and loot			
		- Loss or damage of insured assets arising from theft without visible sign of breaking			
		- Loss or damage caused by machinery interruption			
		- Loss or damage to electronic equipment and computers caused by accidents, other external factors and burglary			
		- Loss or damage of cash			
		- Damage to movable assets located outside the building or outdoor. The protection covers damages caused by wind, rain, hail, flood, sand or dust			
		- Loss or damage to steam boilers, equipment or economizer tubes, steam turbines, or pressure vessels, machinery, or pressure-operated equipment			
		- Business Interruption Insurance	1,077.56		

*Remark : Limited coverage for the loss or damage caused by flood in amount not exceeding 450 million baht per one time and throughout the period of insurance.

2. Trademark Used in Business Operations

The company owns trademarks or brand logos which have been registered with the Department of Intellectual Property, Ministry of Commerce such as Sappe, Beauty Drink and Mogu Mogu. The registration of each logo has a term of 10 years from the registration date and can be renewed every 10 years. Additionally, the company also has the trademarks registered in other countries such as the Philippines and the United States, and “Mogu Mogu” is among the brand logo which is registered overseas. The company will extend the registration of its brand logos at the due period. When the company launches products under a new trademark, the company or its subsidiaries will carry out the registration for new trademarks as deemed appropriate. As of 31 December 2024, the company owns the key trademarks as follows:

Order	Trademark Image	Ownership	Registration Number (Country)	Terms of Trademark
1.		The company	ร343965 (THAILAND)	15 October 2010 – 12 January 2030
2.		The company	ร326260 (THAILAND)	31 July 2009 – 30 July 2029
3.		The company	ร353901 (THAILAND)	11 February 2011 – 10 November 2030
4.		The company	ร353905 (THAILAND)	2 June 2011 – 1 June 2031
5.		The company	171115878 (THAILAND)	18 March 2015 – 17 March 2025
6.		The company	171102579 (THAILAND)	15 November 2013 – 14 November 2033
7.		The company	4-2014-013969 (PHILIPPINES)	11 November 2014 – 23 November 2025
8.		The company	D00 2010 039941 (INDONESIA)	5 November 2010 – 5 November 2030
9.		The company	D00 2008 030571 (INDONESIA)	22 August 2008 – 22 August 2028
10.		The company	013443544 (EU)	10 November 2014 – 10 November 2034
11.		The company	007071053 (EU)	16 July 2008 – 16 July 2028

Order	Trademark Image	Ownership	Registration Number (Country)	Terms of Trademark
12.		The company	4923794	22 March 2016 –
			(U.S.A.)	21 March 2026

3. Investment in Subsidiaries and Associates

As of 31 December 2024, the company have invested in subsidiaries and associates as follow:

Subsidiaries	Date of Investment	Paid-up Capital (Million Baht)	Shareholding (%)	Investment at Cost Value (Million Baht)	Proportion to the Total Asset Value of the Company (%)
Direct Subsidiaries					
1. Sappe Holding (Thailand) Company Limited ("Sappe Holding")	8 May 2015	427.00	100.00	427.00	7.21
Indirect Associates					
1. Sappe Trading (Hong Kong) Company Limited ("Sappe Trading Hong Kong")	23 June 2015	0.45	100.00	0.45	0.01
2. Sappe Hong Kong Company Limited ("Sappe Hong Kong")	11 December 2015	13.98	100.00	13.98	0.24
3. Sappe Trading (Shanghai) Company Limited ("Sappe Shanghai")	1 November 2016	10.17	100.00	10.17	0.17
4. All Coco Group Company Limited ("All Coco") with subsidiaries as follows: - All Coco Company Limited - K Best Farm Company Limited	1 February 2019	168.00	51.00	196.35	3.32
5. SAPPE Philippines Corporation ("Sappe Philippines")	31 May 2023	6.86	100.00	6.86	0.12
Indirect Associates					
1. Danone Sappe Beverages Company Limited ("DANONE")	28 February 2019	300.00	25.00	75.00	1.27
2. M Intelligence Company Limited	13 December 2021	4.95	16.21	70.00	1.18
Indirect Joint Venture					
1. WOPE Company Limited ("WOPE")	27 September 2022	50.00	60.00	7.80	0.13

4. Investment Policy in Subsidiaries and Associates

The company has a policy to invest in the business related to the company's core business with potential to enhance the company's profitability. The investment should also create synergy in terms of strengthening the main business operations or adding value to the company business.

The company sets the policy to control and manage the business of its subsidiaries and associates in order to supervise those businesses as part of the company. In addition, the company also has measures to follow the management of the joint ventures to protect its interest of investment. In case of investment in subsidiaries, the company will control and set the management policy, appoint representatives to serve as directors and attend shareholders' meetings. The company's representatives are authorized to vote in accordance with the guideline or direction considered by the Board of Directors. However, the company has no policy to directly control the associates. For the representatives to be the directors in both subsidiaries and associates, the company will consider this as it sees appropriate, and this depends on the joint agreement.

Currently, the company invests in 2 direct subsidiaries and closely supervises them and follows their operations in order to reach the investment goals. To emphasize the investment in the subsidiaries, the company has received approval from the Board of Directors to appoint the appropriate and qualified persons, Mr. Adisak Ruckariyaphong, Ms. Piyajit Ruckariyapong and Mr. Arnupap Ruckariyapong, to take director role in Sappe Holding (Thailand) Company Limited.

Attachment 5

The Report of the Audit Committee

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. Surath Pralongsil is the chairman of the Audit Committee and Mrs. Niratchara Siriamphunkul and Mr. Chanin Archjananun 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 2024, 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 2024, the Audit Committee independently and completely performed its assigned duties, holding a total of 4 meetings with management, external auditors, and internal auditors on relevant matters. All 3 committee members attended each meeting. The key aspects of the Audit Committee's duties 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 2024 before proposing to the Board of Directors for consideration and approval of the Annual General Meeting of Shareholders for the year 2025 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 2024 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 2025 to consider the remuneration and appoint the auditors of KPMG Phoomchai Audit Ltd. to be the auditors of the Company for the year 2025 continually. The auditors were to be rotated every 7 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 2024. 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 2025 and considered the plan for the internal control systems of 2025.

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 2024, 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 2024, 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. Surath Pralongsil)

Chairman of the Audit Committee

Attachment 6

Report of the Board of Directors' Responsibilities for Financial Statements

Report of the Board of Directors' Responsibilities for Financial Statements

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

GRI content index

Statement of use	Sappe Public Company Limited has reported the information cited in this GRI content index for the period from January 1, 2024, to December 31, 2024, with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Part 1: Business Operation and Operating Results 1.3 Shareholding Structure of the Group 5. General information and other material facts (Page 112)
	2-2 Entities included in the organization's sustainability reporting	Part 1: Business Operation and Operating Results 3. Driving Business Towards Sustainability (Page 61)
	2-3 Reporting period, frequency and contact point	Part 1: Business Operation and Operating Results 3. Driving Business Towards Sustainability (Page 61)
	2-4 Restatements of information	None
	2-5 External assurance	Part 1: Business Operation and Operating Results 3. Driving Business Towards Sustainability (Page 61)
	2-6 Activities, value chain and other business relationships	Part 1: Business Operation and Operating Results 3. Driving Business Towards Sustainability (Page 61)
	2-7 Employees	Part 2: Corporate Governance 7.5 Information on employees (Page 141)
	2-8 Workers who are not employees	Part 2: Corporate Governance 7.5 Information on employees (Page 141)
	2-9 Governance structure and composition	Part 2: Corporate Governance 6. Corporate Governance Policy 7.1 Corporate Governance Structure(Page 130)
	2-10 Nomination and selection of the highest governance body	Part 2: Corporate Governance 8.1.1 Nomination, development, and evaluation of duty performance of the Board of Directors (Page 159)
	2-11 Chair of the highest governance body	Part 2: Corporate Governance 7.2.1 Board of Directors - Scope of Authority, Duties, and Responsibilities of Chairman (Page 132)
	2-12 Role of the highest governance body in overseeing the management of impacts	Part 2: Corporate Governance 7.2.1 Board of Directors - Scope of Authority, Duties, and Responsibilities of Directors (Page 132)
	2-13 Delegation of responsibility for managing impacts	Part 2: Corporate Governance 7.3.1 Audit Committee (Page 134) 7.3.2 Executive Committee (Page 136) 7.3.3 Risk Management Working Group (Page 138) 7.4.1 Management Team (Page 139)
	2-14 Role of the highest governance body in sustainability reporting	3. Driving Business Towards Sustainability 3.1 Sustainability Management Policy and Goals (Page 61)

GRI content index

Statement of use	Sappe Public Company Limited has reported the information cited in this GRI content index for the period from January 1, 2024, to December 31, 2024 , with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
	2-15 Conflicts of interest	Part 2: Corporate Governance 6.4 Prevention of Conflict of Interest, the use of internal information, Internal Control Systeme (Page 136) 9.2 The summary of the details of connected transactions between the Company and the persons who may have conflicts of interest yearly ending December 31, 2024 (Page 176)
	2-16 Communication of critical concerns	Part 2: Corporate Governance 6.5.1 Complaint and Whistleblowing Channels (Page 128)
	2-17 Collective knowledge of the highest governance body	Part 2: Corporate Governance 8.1.1 Nomination, development, and evaluation of duty performance of the Board of Directors (Page 159)
	2-18 Evaluation of the performance of the highest governance body	Part 2: Corporate Governance 8.1.1 (3) Performance Evaluation of the Board of Directors, Audit Committee, Executive Committee and Top-level Management (Page 164)
	2-19 Remuneration policies	Part 2: Corporate Governance 7.4.2 Remuneration policy for directors and executives (Page 140) 7.4.3 Total amount of the remunerations of executives (Page 141) 8.1.2 (2) The remunerations of each director (Page 167)
	2-20 Process to determine remuneration	Part 2: Corporate Governance 7.4.2 Remuneration policy for directors and executives (Page 141) 8.1.2 (2) The remunerations of each director (Page 167)
	2-21 Annual total compensation ratio	None
	2-22 Statement on sustainable development strategy	Part 1: Business Operation and Operating Results 3.1 Policy and Goal of Sustainability Management (Page 61)
	2-23 Policy commitments	Part 1: Business Operation and Operating Results 3.1 Policy and Goal of Sustainability Management (Page 61)
	2-24 Embedding policy commitments	Part 1: Business Operation and Operating Results 3.1 Policy and Goal of Sustainability Management (Page 61)
	2-25 Processes to remediate negative impacts	Part 1: Business Operation and Operating Results 3.1 Policy and Goal of Sustainability Management (Page 61)
	2-26 Mechanisms for seeking advice and raising concerns	Part 2: Corporate Governance 6.5.1 Complaint and Whistleblowing Channels (Page 128)
	2-27 Compliance with laws and regulations	Part 2: Corporate Governance (Page 115)
	2-28 Membership associations	Part 1: Business Operation and Operating Results 3.6 Collaboration for Sustainability (Page 100)
	2-29 Approach to stakeholder engagement	Part 1: Business Operation and Operating Results 3.2 Managing Impact on Stakeholders in Business Value Chain (Page 75)

GRI content index

Statement of use	Sappe Public Company Limited has reported the information cited in this GRI content index for the period from January 1, 2024, to December 31, 2024 , with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	None
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Part 1: Business Operation and Operating Results Topic : Process to identify Materiality Matrix (Page 62)
	3-2 List of material topics	Part 1: Business Operation and Operating Results Topic : Materiality Matrix (Page 63)
	3-3 Management of material topics	Part 1: Business Operation and Operating Results Topic : Sustainability Strategy Across 3 Dimensions (Page 65)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	None
	201-2 Financial implications and other risks and opportunities due to climate change	None
	201-3 Defined benefit plan obligations and other retirement plans	None
	201-4 Financial assistance received from government	Part 3: Financial Statement Notes to the financial statements 18 Segment information and disaggregation of revenue (d) Promotional privileges (Page 233)
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local	None
	202-2 Proportion of senior management hired from the local community	None
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	None
	203-2 Significant indirect economic impacts	Part 1: Business Operation and Operating Results 3.4.1 Social Goals and Performance Topic : Community and Society (Page 90)
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	None
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and	None
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (5) Climate Change Impact (Page 98)
	301-2 Recycled input materials used	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (5) Climate Change Impact (Page 98)
	301-3 Reclaimed products and their packaging materials	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (5) Climate Change Impact (Page 98)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (Page 94)
	302-2 Energy consumption outside of the organization	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (1) Energy Management (Page 94)
	302-3 Energy intensity	None

GRI content index

Statement of use	Sappe Public Company Limited has reported the information cited in this GRI content index for the period from January 1, 2024, to December 31, 2024 , with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: Energy 2016	302-4 Reduction of energy consumption	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (1) Energy Management (Page 94)
	302-5 Reductions in energy requirements of products and services	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (1) Energy Management (Page 94)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (5) Climate Change Impact (Page 98)
	305-2 Energy indirect (Scope 2) GHG emissions	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (5) Climate Change Impact (Page 98)
	305-3 Other indirect (Scope 3) GHG emissions	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (5) Climate Change Impact (Page 98)
	305-4 GHG emissions intensity	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (5) Climate Change Impact (Page 98)
	305-5 Reduction of GHG emissions	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (1) Energy Management Topic : Energy Consumption and Carbon Dioxide Emission Reduction (Page 95)
	305-6 Emissions of ozone-depleting substances (ODS)	None
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Part 1: Business Operation and Operating Results 3.5.1 Environmental Goals and Performance (3) Air Pollution Management (Page 96)
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Part 1: Business Operation and Operating Results Topic : Partner Relationship Management (Page 34 - 35)
	308-2 Negative environmental impacts in the supply chain and actions taken	Part 1: Business Operation and Operating Results Topic : Partner Relationship Management (Page 34 - 35)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Part 2: Corporate Governance 7.5 Information on employees (Page 141)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Part 2: Corporate Governance 7.5 Information on employees (Page 141)
	401-3 Parental leave	None

GRI content index

Statement of use	Sappe Public Company Limited has reported the information cited in this GRI content index for the period from January 1, 2024, to December 31, 2024 , with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Part 2: Corporate Governance Topic : Occupational Health, Safety, and Work Environment Policy (Page 152)
	403-2 Hazard identification, risk assessment, and incident investigation	Part 2: Corporate Governance Topic : Occupational Health, Safety, and Work Environment Policy (Page 152)
	403-3 Occupational health services	Part 2: Corporate Governance Topic : Occupational Health, Safety, and Work Environment Policy (Page 152)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Part 2: Corporate Governance Topic : Occupational Health, Safety, and Work Environment Policy (Page 152)
	403-5 Worker training on occupational health and safety	Part 2: Corporate Governance Topic : Occupational Health, Safety, and Work Environment Policy (Page 152)
	403-6 Promotion of worker health	Part 2: Corporate Governance Topic : Occupational Health, Safety, and Work Environment Policy (Page 152)
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Part 2: Corporate Governance Topic : Occupational Health, Safety, and Work Environment Policy (Page 152)
	403-8 Workers covered by an occupational health and safety management system	Part 2: Corporate Governance Topic : Occupational Health, Safety, and Work Environment Policy (Page 152)
	403-9 Work-related injuries	Part 2: Corporate Governance Topic : Occupational Health, Safety, and Work Environment Policy (Page 152)
	403-10 Work-related ill health	Part 2: Corporate Governance Topic : Occupational Health, Safety, and Work Environment Policy (Page 152)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Part 2: Corporate Governance Topic : Human Resources Development Policy (Page 153)
	404-2 Programs for upgrading employee skills and transition assistance programs	Part 2: Corporate Governance Topic : Human Resources Development Policy (Page 153)
	404-3 Percentage of employees receiving regular performance and career development reviews	Part 2: Corporate Governance Topic : Human Resources Development Policy (Page 153)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Part 2: Corporate Governance 7.2.1 Board of Directors (Page 131) 7.5 Information on employees (Page 141)
	405-2 Ratio of basic salary and remuneration of women to men	None
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	None
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Part 1: Business Operation and Operating Results 3.4.1 Social Goals and Performance The last paragraph under the topic 'Community Well-being Promotion Initiatives (2024)' (Page 91)
	413-2 Operations with significant actual and potential negative impacts on local communities	None

GRI content index

Statement of use	Sappe Public Company Limited has reported the information cited in this GRI content index for the period from January 1, 2024, to December 31, 2024, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	None
	414-2 Negative social impacts in the supply chain and actions taken	None
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Part 1: Business Operation and Operating Results Good product development with Consumer Centric (Page 34 - 35)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	None
	417-2 Incidents of non-compliance concerning product and service information and labeling	None
	417-3 Incidents of non-compliance concerning marketing communications	None

SAPPE.COM



@sappeonline



Sappe



Sappe Playground



lifeatsappe



sappe



sappeplayground

Contact Us

Investor Relations

Tel. 02-319-4949

Ext. 312

ir@sappe.com

Corporate Secretary

Tel. 02-319-4949

Ext. 9709,2503

comsec@sappe.com

Corporate Communication

Tel. 02-319-4949

Ext. 1669

corpcom@sappe.com

Human Resources

Tel. 02-319-4949

Ext. 1401,1402

hr@sappe.com