

SALEE PRINTING PUBLIC COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2022



AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Salee Printing Public Company Limited

I have reviewed the interim financial information of Salee Printing Public Company Limited, which comprises the statement of financial position as at 31 March 2022, the related statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Sa-nga Chokenitisawat

Certified Public Accountant (Thailand) No. 11251

Bangkok

12 May 2022

Salee Printing Public Company Limited
Statement of Financial Position
As at 31 March 2022

		Unaudited 31 March 2022	Audited 31 December 2021
	Notes	Thousand Baht	Thousand Baht
Assets			
Current assets			
Cash and cash equivalents		23,128	37,725
Short-term investments - Fixed deposit at a bank		100,000	100,000
Long-term investments - Fixed deposit at a bank			
Current portion		100,000	100,000
Trade and other receivables, net	6	171,642	130,975
Inventories, net	7	108,064	95,105
Financial assets measured at amortised cost			
Current portion	8	29,982	19,973
Other current assets		839	6,519
Total current assets		533,655	490,297
Non-current assets			
Restricted deposits at a bank		938	938
Financial assets measured at amortised cost	8	50,032	60,036
Building and equipment, net	9	336,185	326,532
Intangible assets, net		9,631	10,095
Right-of-use assets, net	12 c)	40,721	46,109
Deferred tax assets, net		5,991	6,896
Other non-current assets		31,491	22,483
Total non-current assets		474,989	473,089
Total assets		1,008,644	963,386

Director _____

Director _____

The accompanying notes are an integral part of this interim financial information.

Salee Printing Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 March 2022

		Unaudited 31 March 2022	Audited 31 December 2021
	Note	Thousand Baht	Thousand Baht
Liabilities and equity			
Current liabilities			
Trade and other payables	10	91,455	44,191
Current portion of lease liabilities	12 c)	21,702	21,475
Other current liabilities		2,421	3,589
Total current liabilities		115,578	69,255
Non-current liabilities			
Lease liabilities, net	12 c)	30,905	36,418
Employee benefit obligations		9,503	9,116
Total non-current liabilities		40,408	45,534
Total liabilities		155,986	114,789
Equity			
Share capital			
Authorised share capital			
1,200,000,000 ordinary shares at par value of Baht 0.25 each		300,000	300,000
Issued and paid-up share capital			
1,200,000,000 ordinary shares at paid-up of Baht 0.25 each		300,000	300,000
Premium on ordinary shares		619,162	619,162
Deficits			
Appropriated - legal reserve		30,000	30,000
Unappropriated		(96,504)	(100,565)
Total equity		852,658	848,597
Total liabilities and equity		1,008,644	963,386

The accompanying notes are an integral part of this interim financial information.

Salee Printing Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 31 March 2022

		Unaudited 31 March 2022	Unaudited 31 March 2021
	Note	Thousand Baht	Thousand Baht
Revenues from sales		157,881	111,391
Costs of sales		(128,216)	(91,393)
Gross profit		29,665	19,998
Other income		911	1,225
Selling expenses		(6,166)	(4,615)
Administrative expenses		(18,816)	(17,515)
Profit (Loss) before finance costs and income tax (expense)		5,594	(907)
Finance costs		(628)	(881)
Profit (Loss) before income tax (expense)		4,966	(1,788)
Income tax (expense)	11	(905)	(1,802)
Net profit (loss) for the period		4,061	(3,590)
Other comprehensive income for the period		-	-
Total comprehensive income (expense) for the period		4,061	(3,590)
Net profit (loss) per share (Baht)			
Basic earnings (loss) per share		0.0034	(0.0030)

The accompanying notes are an integral part of this interim financial information.

Salee Printing Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2022

	Issued and paid-up share capital Thousand Baht	Premium on ordinary shares Thousand Baht	Deficits		Total equity Thousand Baht
			Appropriated - legal reserve Thousand Baht	Unappropriated Thousand Baht	
Opening balance at 1 January 2021	300,000	619,162	30,000	(62,794)	886,368
Total comprehensive expense for the period	-	-	-	(3,590)	(3,590)
Ending balance at 31 March 2021	300,000	619,162	30,000	(66,384)	882,778
Opening balance at 1 January 2022	300,000	619,162	30,000	(100,565)	848,597
Total comprehensive income for the period	-	-	-	4,061	4,061
Ending balance at 31 March 2022	300,000	619,162	30,000	(96,504)	852,658

The accompanying notes are an integral part of this interim financial information.

Salee Printing Public Company Limited
Statement of Cash Flows
For the three-month period ended 31 March 2022

	Unaudited 31 March 2022 Thousand Baht	Unaudited 31 March 2021 Thousand Baht
Cash flows from operating activities		
Profit (loss) before income tax	4,966	(1,788)
Adjustments for:		
Depreciation and amortisation	19,674	17,114
(Reversal of) allowance for doubtful accounts	116	(287)
(Reversal of) allowance on decrease in cost of inventories to net realisable value	(2,749)	4,162
(Gain) on disposals of equipment	-	(62)
Employee benefit obligation	387	367
Unrealised (gain) loss on exchange rate	55	(29)
Interest income	(883)	(1,000)
Finance costs	628	881
Change in operating assets and liabilities	22,194	19,358
Trade and other receivables	(40,706)	(22,254)
Inventories	(10,210)	(12,825)
Other current assets	5,680	(2,834)
Other non-current assets	(5,552)	(2,484)
Trade and other payables	48,619	13,029
Other current liabilities	(1,168)	(447)
Cash generated from (used in) operations	18,857	(8,457)
Income tax paid	(3,456)	(2,575)
Net cash generated from (used in) operating activities	15,401	(11,032)

The accompanying notes are an integral part of this interim financial information.

Salee Printing Public Company Limited
Statement of Cash Flows (Cont'd)
For the three-month period ended 31 March 2022

	Unaudited 31 March 2022 Thousand Baht	Unaudited 31 March 2021 Thousand Baht
Cash flows from investing activities		
Proceeds from disposals of machinery and equipment	-	94
Payment of machinery and equipment	(9,540)	(7,671)
Payment of deposit in machinery and computer software	(14,506)	(25,427)
Payment of intangible assets	(240)	(30)
Payment for purchase of financial assets measured at amortised cost	(5)	(5)
Proceeds from interest income	819	962
Net cash (used in) investing activities	(23,472)	(32,077)
Cash flows from financing activities		
Interest paid	(628)	(881)
Payments of lease liabilities	(5,898)	(5,897)
Net cash (used in) financing activities	(6,526)	(6,778)
Net (decrease) in cash and cash equivalents	(14,597)	(49,887)
Cash and cash equivalents at the beginning of the period	37,725	188,351
Cash and cash equivalents at end of the period	23,128	138,464
Supplement cash flows information :		
Non-cash transactions		
Right-of-use assets recognised under lease liabilities	-	89,014
Payables from purchase of machinery and equipment	1,931	14,801
Transfer of deposits for machinery to machinery	(9,111)	(36,485)

The accompanying notes are an integral part of this interim financial information.

1 General information

Salee Printing Public Company Limited (the Company) is a public limited company and listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand and the registered address is as follows:

No. 19 Moo 10, Tumbol Klong Si, Amphur Klong Luang, Pathumthani 12120.

The principal business operation of the Company is label printing for products.

The interim financial information is presented in thousand Thai Baht, unless otherwise stated.

The interim financial information has been approved by the Board of Directors on 12 May 2022.

The interim financial information has been reviewed not audited.

2 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard (TAS) No. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021.

An English language version of these interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2021 except for the new and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2022 which do not have material impact on the Company.

4 Estimates

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation for the uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2021.

5 Segment and revenue information

The Company is principally engaged in the label printing segment and operates in Thailand. Segment is operated in the main geographical area in Thailand. The Company's performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss as presented in the interim financial information. As a result, all the revenues, operating profits and assets presented in the interim financial information represent reportable operating segment. The Company recognises revenue point in time.

Salee Printing Public Company Limited
Condensed notes to interim financial information (Unaudited)
For the three-month period ended 31 March 2022

6 Trade and other receivables, net

	31 March 2022 Thousand Baht	31 December 2021 Thousand Baht
Trade receivables - third parties	165,387	128,643
<u>Less</u> Expected credit losses	(558)	(442)
Trade receivables - third parties, net	164,829	128,201
Trade receivables - related parties	223	324
Other receivables - third parties	11	92
Unearned revenue	1,056	992
Prepayments	5,523	1,366
	171,642	130,975

Outstanding trade receivables - third parties can be analysed as follows:

	31 March 2022 Thousand Baht	31 December 2021 Thousand Baht
Not overdue (due within 1 month)	140,013	107,941
Overdue		
Up to 3 months	24,884	20,176
3 - 6 months	-	161
6 - 12 months	203	174
Over 12 months	287	191
	165,387	128,643
<u>Less</u> Expected credit losses	(558)	(442)
	164,829	128,201

7 Inventories, net

	31 March 2022 Thousand Baht	31 December 2021 Thousand Baht
Raw materials	62,905	55,545
Finished goods	64,196	61,346
	127,101	116,891
<u>Less</u> Allowance for decrease in cost of inventory to net realisable value		
- Raw materials	(2,292)	(3,118)
- Finished goods	(16,745)	(18,668)
	108,064	95,105

Salee Printing Public Company Limited
Condensed notes to interim financial information (Unaudited)
For the three-month period ended 31 March 2022

8 Financial assets measured at amortised cost

Movements of financial assets measured at amortised cost for the three-month period ended 31 March 2022 are as follows:

	Consolidated financial information Thousand Baht
Opening net book amount	80,009
Addition during the period	5
Closing net book amount	80,014
	Consolidated financial information Thousand Baht
Current	
Opening net book amount	19,973
Addition during the period	9
Receive transfer from current portion	10,000
Closing net book amount	29,982
Non-current	
Opening net book amount	60,036
Decrease during the period	(4)
Transfer to current portion	(10,000)
Closing net book amount	50,032

The fair values of held-to-maturity have been defined in fair value level 2 which are determined by using available observable market rate, and by discounting all future cash flows using the relevant market rate at the statement of financial position date. The fair values of held-to-maturity presented in the statement of financial position are closed to book values because the effect of discounting rate is not significant.

There is no transfer between fair value hierarchy levels during the current period.

9 Machinery and equipment, net

The movements of machinery and equipment, net during the three-month period ended 31 March 2022 are as follows:

	Thousand Baht
Opening net book amount	326,532
Additions	23,235
Depreciation charged during the period	(13,582)
Closing net book amount	336,185

10 Trade and other payables

	31 March 2022 Thousand Baht	31 December 2021 Thousand Baht
Trade payables - third parties	77,787	30,745
Trade payables - related parties	120	67
Other payables - third parties	8,469	8,385
Accrued expense - third parties	5,079	4,994
	91,455	44,191

11 Income tax

Income tax for the three-month period ended 31 March 2022 and 2021 comprises the following:

	2022 Thousand Baht	2021 Thousand Baht
Current tax	-	-
Deferred tax	(905)	(1,802)
	(905)	(1,802)

The interim income tax (expense) is calculated by based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 20% (2021: 20% per annum).

12 Related party transactions

a) Parent company

The Company is controlled by Salee Industry Public Company Limited which is incorporated in Thailand and owns 65% of the Company's ordinary shares.

b) Related party transactions

For the three-month period ended 31 March	2022 Thousand Baht	2021 Thousand Baht	Pricing policy
Interest expense			
Parent	624	853	Contractually agreed prices
Utilities expenses			
Parent	296	191	Cost plus margin
Revenue from sales			
Related parties	264	467	Market prices

Salee Printing Public Company Limited
Condensed notes to interim financial information (Unaudited)
For the three-month period ended 31 March 2022

c) Outstanding balances arising from sales and purchases of goods and services

	31 March 2022 Thousand Baht	31 December 2021 Thousand Baht
Trade receivables		
Related parties	223	324
Other payables		
Related parties	120	67
Right-of-use assets, net		
Parent	40,721	46,109
Lease liabilities		
Parent	52,607	57,893

d) Director and management compensation

For the three-month period ended 31 March

	2022 Thousand Baht	2021 Thousand Baht
Short-term employee benefits	4,218	4,170
Retirement benefits	172	133
	4,390	4,303

13 Commitments and contingent liabilities

a) Capital commitments

Capital expenditure contracted as at the statement of financial position date, but not recognised in the financial information is as follows:

	31 March 2022 Thousand Baht	31 December 2021 Thousand Baht
Purchase contract for machinery, equipment and computer software	10,644	22,433

b) Non-cancellable service commitments

The Company has entered into service agreements. The future aggregate minimum lease payments under non-cancellable service agreements are as follows:

	31 March 2022 Thousand Baht	31 December 2021 Thousand Baht
Not over 1 year	413	145

c) Letter of guarantees

As at 31 March 2022 and 31 December 2021, the Company has letter of guarantee issued by bank of Baht 1.5 million in relation to guarantee of electricity usages in the normal course of business.