

SALEE PRINTING PUBLIC COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

30 JUNE 2021



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 30 June 2021, the related statements of comprehensive income for the three-month and six-month periods then ended, the changes in equity and cash flows for the six-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.

A handwritten signature in blue ink, reading "Sa-nga Chokenitisawat".

Sa-nga Chokenitisawat

Certified Public Accountant (Thailand) No. 11251

Bangkok

9 August 2021

Salee Printing Public Company Limited

Statement of Financial Position

As at 30 June 2021

| | | Unaudited 30 June 2021 | Audited 31 December 2020 |
|--|-------|------------------------------|--------------------------------|
| | Notes | Thousand Baht | Thousand Baht |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 93,910 | 188,351 |
| Short-term investments - Fixed deposit at a bank | | 100,000 | 100,000 |
| Current portion of long-term investments | | | |
| - Fixed deposit at a bank | | 40,000 | - |
| Trade and other receivables, net | 6 | 128,091 | 99,872 |
| Inventories, net | 7 | 75,902 | 57,557 |
| Other current assets | | 5,905 | 2,940 |
| Total current assets | | 443,808 | 448,720 |
| Non-current assets | | | |
| Restricted deposits at bank | | 937 | 937 |
| Long-term investments - Fixed deposit at a bank | | 60,000 | 100,000 |
| Financial assets measured at amortised cost | 8 | 79,999 | 79,989 |
| Machinery and equipment, net | 9 | 295,546 | 266,307 |
| Intangible assets, net | | 8,142 | 8,834 |
| Right-of-use assets, net | 12 c) | 56,886 | 67,662 |
| Deferred tax assets, net | | 15,949 | 17,751 |
| Other non-current assets | | 29,513 | 18,899 |
| Total non-current assets | | 546,972 | 560,379 |
| Total assets | | 990,780 | 1,009,099 |

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 30 June 2021

| | | Unaudited 30 June 2021 | Audited 31 December 2020 |
|--------------------------------------|------|------------------------------|--------------------------------|
| | Note | Thousand Baht | Thousand Baht |
| Liabilities and equity | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 36,736 | 35,264 |
| Current portion of lease liabilities | | 21,024 | 20,563 |
| Other current liabilities | | 469 | 1,103 |
| Total current liabilities | | <u>58,229</u> | <u>56,930</u> |
| Non-current liabilities | | | |
| Lease liabilities, net | | 47,264 | 57,892 |
| Employee benefit obligations | | 8,642 | 7,909 |
| Total non-current liabilities | | <u>55,906</u> | <u>65,801</u> |
| Total liabilities | | <u>114,135</u> | <u>122,731</u> |
| Equity | | | |
| Share capital | | | |
| Authorised share capital | | | |
| 1,200,000,000 ordinary shares | | | |
| at par value of Baht 0.25 each | | <u>300,000</u> | <u>300,000</u> |
| 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 | | <u>(72,517)</u> | <u>(62,794)</u> |
| Total equity | | <u>876,645</u> | <u>886,368</u> |
| Total liabilities and equity | | <u>990,780</u> | <u>1,009,099</u> |

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 30 June 2021

| | | Unaudited 30 June 2021 | Unaudited 30 June 2020 |
|---|------|------------------------------|------------------------------|
| | Note | Thousand Baht | Thousand Baht |
| Revenues from sales | | 107,142 | 100,577 |
| Costs of sales | | (90,877) | (85,075) |
| Gross profit | | 16,265 | 15,502 |
| Other income | | 1,092 | 2,368 |
| Selling expenses | | (5,233) | (5,843) |
| Administrative expenses | | (17,460) | (17,484) |
| Loss before finance costs and income tax benefit | | (5,336) | (5,457) |
| Finance costs | | (797) | (536) |
| Loss before income tax | | (6,133) | (5,993) |
| Income tax benefit | 11 | - | 659 |
| Net loss for the period | | (6,133) | (5,334) |
| Total comprehensive expense for the period | | (6,133) | (5,334) |
| Net loss per share (Baht) | | | |
| Basic loss per share | | (0.0051) | (0.0044) |

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

Salee Printing Public Company Limited
Statement of Comprehensive Income
For the six-month period ended 30 June 2021

| | | Unaudited 30 June 2021 | Unaudited 30 June 2020 |
|--|------|------------------------------|------------------------------|
| | Note | Thousand Baht | Thousand Baht |
| Revenues from sales | | 218,532 | 211,481 |
| Costs of sales | | (182,270) | (177,747) |
| Gross profit | | 36,262 | 33,734 |
| Other income | | 2,317 | 6,976 |
| Selling expenses | | (9,847) | (11,527) |
| Administrative expenses | | (34,975) | (34,469) |
| Loss before finance costs and income tax (expenses) benefit | | (6,243) | (5,286) |
| Finance costs | | (1,678) | (1,071) |
| Loss before income tax | | (7,921) | (6,357) |
| Income tax (expenses) benefit | 11 | (1,802) | 816 |
| Net loss for the period | | (9,723) | (5,541) |
| Total comprehensive expense for the period | | (9,723) | (5,541) |
| Net loss per share (Baht) | | | |
| Basic loss per share | | (0.0081) | (0.0046) |

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 six-month period ended 30 June 2021

| | 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 2020 | 300,000 | 619,162 | 30,000 | (39,916) |
| Total comprehensive expense for the period | - | - | - | (5,541) |
| Ending balance at 30 June 2020 | 300,000 | 619,162 | 30,000 | (45,457) |
| Opening balance at 1 January 2021 | 300,000 | 619,162 | 30,000 | (62,794) |
| Total comprehensive expense for the period | - | - | - | (9,723) |
| Ending balance at 30 June 2021 | 300,000 | 619,162 | 30,000 | (72,517) |
| | | | | 876,645 |

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

Salee Printing Public Company Limited
Statement of Cash Flows
For the six-month period ended 30 June 2021

| | Unaudited 30 June 2021 Thousand Baht | Unaudited 30 June 2020 Thousand Baht |
|--|---|---|
| Cash flows from operating activities | | |
| Loss before income tax | (7,921) | (6,357) |
| Adjustments for: | | |
| Depreciation and amortisation | 34,412 | 27,039 |
| (Reversal of) Expected credit loss | (155) | 85 |
| Allowance for decrease of inventory to net realisable value | (2,859) | 6,642 |
| (Gain) on disposals of machinery and equipment | (123) | (2,382) |
| Loss on write-offs of equipment and intangible assets | - | 8 |
| Employee benefit obligation | 733 | 618 |
| Unrealised (gain) loss on exchange rate | 34 | (54) |
| Interest income | (1,980) | (4,497) |
| Finance costs | 1,678 | 1,071 |
| Cash flow before change in operating assets and liabilities | 23,819 | 22,173 |
| Change in operating assets and liabilities | | |
| Trade and other receivables | (27,759) | (12,723) |
| Inventories | (15,486) | (19,663) |
| Other current assets | (2,965) | (295) |
| Other non-current assets | (5,228) | - |
| Trade and other payables | (6,729) | 15,473 |
| Other current liabilities | (634) | 269 |
| Cash generated from (used in) operating activities | (34,982) | 5,234 |
| Income tax paid | (5,386) | (4,256) |
| Net cash generated from (used in) operating activities | (40,368) | 978 |

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 six-month period ended 30 June 2021

| | Unaudited 30 June 2021 Thousand Baht | Unaudited 30 June 2020 Thousand Baht |
|--|---|---|
| Cash flows from investing activities | | |
| Proceeds from disposals of machinery and equipment | 159 | 2,382 |
| Payment of machinery and equipment | (13,031) | (16,065) |
| Payment of intangible assets | (30) | (495) |
| Payment of deposit in machinery and computer software | (29,398) | (8,953) |
| Decrease in short-term investments | - | 60,865 |
| Payment for long-term investment | - | (40,000) |
| Payment in financial assets measured at amortised cost | (10) | (9) |
| Proceeds from interest income | 1,709 | 3,942 |
| Net cash generated from (used in) investing activities | <u>(40,601)</u> | <u>1,667</u> |
| Cash flows from financing activities | | |
| Payments on short-term borrowing from bank | - | (1,021) |
| Payments on lease liabilities | (11,794) | (2,742) |
| Interest paid | (1,678) | - |
| Net cash used in financing activities | <u>(13,472)</u> | <u>(3,763)</u> |
| Net decrease in cash and cash equivalents | (94,441) | (1,118) |
| Cash and cash equivalents at the beginning of the period | <u>188,351</u> | <u>13,273</u> |
| Cash and cash equivalents at end of the period | <u><u>93,910</u></u> | <u><u>12,155</u></u> |
| Supplement cash flows information: | | |
| Non-cash transactions | | |
| Right-of-use assets recognised under lease liabilities | 89,014 | (47,143) |
| Purchase on machinery and equipment under lease liabilities | - | 49,248 |
| Increase in payables from purchase of machinery and equipment | 23,111 | 780 |
| Transfer of asset held-for-sale to machinery and equipment | - | 7,975 |
| Transfer of deposits for machinery to machinery and equipment | (39,863) | (3,318) |

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 9 August 2021.

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 2020.

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 2020.

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 2020.

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.

6 Trade and other receivables, net

| | 30 June 2021 Thousand Baht | 31 December 2020 Thousand Baht |
|--|-------------------------------------|---|
| Trade receivables - third parties | 125,127 | 98,302 |
| <u>Less</u> Expected credit losses | (601) | (756) |
| Trade receivables - third parties, net | 124,526 | 97,546 |
| Trade receivables - related parties | 122 | 203 |
| Other receivables - third parties | 128 | 56 |
| Unearned revenue | 1,383 | 1,112 |
| Prepayments | 1,932 | 955 |
| | 128,091 | 99,872 |

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

| | 30 June 2021 Thousand Baht | 31 December 2020 Thousand Baht |
|------------------------------------|-------------------------------------|---|
| Not overdue (due within 1 month) | 87,838 | 77,384 |
| Overdue | | |
| Up to 3 months | 33,423 | 19,751 |
| 3 - 6 months | 3,109 | 203 |
| 6 - 12 months | 313 | 416 |
| Over 12 months | 444 | 548 |
| | 125,127 | 98,302 |
| <u>Less</u> Expected credit losses | (601) | (756) |
| | 124,526 | 97,546 |

7 Inventories, net

| | 30 June 2021 Thousand Baht | 31 December 2020 Thousand Baht |
|---|-------------------------------------|---|
| Raw materials | 42,866 | 24,395 |
| Finished goods | 54,532 | 57,517 |
| | 97,398 | 81,912 |
| <u>Less</u> Allowance for decrease in cost of inventory to net realisable value | | |
| - Raw materials | (4,269) | (2,422) |
| - Finished goods | (17,227) | (21,933) |
| | 75,902 | 57,557 |

8 Financial assets measured at amortised cost

Movements of financial assets measured at amortised cost for the six-month period ended 30 June 2021 are as follows:

| | Thousand Baht |
|----------------------------|------------------|
| Opening net book amount | 79,989 |
| Addition during the period | 10 |
| Closing net book amount | 79,999 |

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 six-month period ended 30 June 2021 are as follows:

| | Thousand Baht |
|--|------------------|
| Opening net book amount | 266,307 |
| Additions | 52,189 |
| Disposals | |
| - Cost | (6,183) |
| - Accumulated depreciation | 6,147 |
| Write-off | |
| - Cost | (125) |
| - Accumulated depreciation | 125 |
| Depreciation charged during the period | (22,914) |
| Closing net book amount | 295,546 |

10 Trade and other payables

| | 30 June 2021 Thousand Baht | 31 December 2020 Thousand Baht |
|----------------------------------|-------------------------------------|---|
| Trade payables - third parties | 8,248 | 12,025 |
| Trade payables - related parties | 139 | 45 |
| Other payables - third parties | 26,067 | 20,353 |
| Accrued expense - third parties | 2,282 | 2,841 |
| | 36,736 | 35,264 |

11 Income tax

Income tax for the three-month and six-month period ended 30 June 2021 and 2020 comprises the following:

For the three-month period ended 30 June

| | 2021 Thousand Baht | 2020 Thousand Baht |
|--------------|--------------------------|--------------------------|
| Current tax | - | 284 |
| Deferred tax | - | 375 |
| | - | 659 |

For the six-month period ended 30 June

| | 2021 Thousand Baht | 2020 Thousand Baht |
|--------------|--------------------------|--------------------------|
| Current tax | - | - |
| Deferred tax | (1,802) | 816 |
| | (1,802) | 816 |

The interim income tax (expense) benefit 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% (2020 : 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 30 June

| | 2021 Thousand Baht | 2020 Thousand Baht | Pricing policy |
|------------------------------------|--------------------------|--------------------------|-----------------------------|
| Rental and service expenses | | | |
| Parent | 5,490 | 4,183 | Contractually agreed prices |
| Interest expenses | | | |
| Parent | 797 | 536 | Contractually agreed prices |
| Utilities expenses | | | |
| Parent | 325 | 472 | Cost plus margin |
| Revenue from sales | | | |
| Related parties | 259 | 217 | Market prices |

Salee Printing Public Company Limited
Condensed notes to interim financial information (Unaudited)
For the six-month period ended 30 June 2021

| For the six-month period ended 30 June | 2021 Thousand Baht | 2020 Thousand Baht | Pricing policy |
|---|---|---|-----------------------------|
| Rental and service expenses | | | |
| Parent | 10,980 | 8,214 | Contractually agreed prices |
| Interest expenses | | | |
| Parent | 1,650 | 1,071 | Contractually agreed prices |
| Utilities expenses | | | |
| Parent | 516 | 563 | Cost plus margin |
| Revenue from sales | | | |
| Related parties | 726 | 777 | Market prices |
| c) Outstanding balances arising from sales and purchases of goods and services | | | |
| | 30 June 2021 Thousand Baht | 31 December 2020 Thousand Baht | |
| Trade receivables | | | |
| Related parties | 122 | 203 | |
| Other payables | | | |
| Related parties | 139 | 45 | |
| Right-of-use assets, net | | | |
| Parent | 56,886 | 67,662 | |
| Lease liabilities | | | |
| Parent | | | |
| Not later than 1 year | 21,000 | 20,563 | |
| Later than 1 year | 47,264 | 57,892 | |
| | 68,264 | 78,455 | |
| d) Director and management compensation | | | |
| For the three-month period ended 30 June | 2021 Thousand Baht | 2020 Thousand Baht | |
| Short-term employee benefits | 4,286 | 4,338 | |
| Retirement benefits | 134 | 113 | |
| | 4,420 | 4,451 | |
| For the six-month period ended 30 June | 2021 Thousand Baht | 2020 Thousand Baht | |
| Short-term employee benefits | 8,456 | 7,664 | |
| Retirement benefits | 267 | 233 | |
| | 8,723 | 7,897 | |

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:

| | 30 June 2021 Thousand Baht | 31 December 2020 Thousand Baht |
|--|-------------------------------------|---|
| Purchase contract for machinery, equipment and computer software | 37,740 | 67,937 |

b) Non-cancellable operating lease commitments

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

| | 30 June 2021 Thousand Baht | 31 December 2020 Thousand Baht |
|-----------------------|-------------------------------------|---|
| Not later than 1 year | 105 | 288 |

c) 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:

| | 30 June 2021 Thousand Baht | 31 December 2020 Thousand Baht |
|-----------------------|-------------------------------------|---|
| Not later than 1 year | - | 145 |

d) Letter of guarantees

As at 30 June 2021 and 31 December 2020, 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.