

Crown Seal Public Company Limited

Financial statements for the year ended
31 December 2018
and
Independent Auditor's Report

Independent Auditor’s Report

To the Shareholders of Crown Seal Public Company Limited

Opinion

I have audited the financial statements of Crown Seal Public Company Limited (the “Company”), which comprise the statement of financial position as at 31 December 2018, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its 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 Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of investment in other long-term investment	
Refer to Notes 3(f) and 6 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The continuous loss in operation of PT Indonesia Caps and Closures indicated that the long-term investment in aforesaid entity might be impaired.</p> <p>Since the consideration of impairment of loss on investment depends on the management's judgments and assumptions in respect to the forecast of operating results, discount rate and key assumptions used to estimate the recoverable amount of aforementioned business; therefore, this is focus area in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • understanding the management's process of identifying impairment indicator and impairment testing and estimate recoverable amount; • evaluating the reasonableness of the key assumptions used by management in the forecast of future profit and cash flows projection of PT Indonesia Caps and Closures by considering with the internal and external sources of information; • analyzed historical information to support the precision in the Company's forecasting process. • evaluating the sensitivity of key assumptions used in future cash flows projection which affect to the recoverable amount of cash-generating unit; and • evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Valuation of inventories	
Refer to Notes 3(e) and 8 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Company had a significant inventory balance of which aluminium was a main raw material of metal cap. Aluminium price was then a significant factor of the cost of inventories. In the case of the fluctuation of raw material prices according to the market condition, especially when the prices were adjusted to be higher while the metal cap prices had not changed, this may result that the net realisable value of inventories is lower than their cost. This matter involves management's judgment and, thus, this is a focus area in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • understanding of the Company's pricing policy, inventory management process and policy to estimate net realisable value of inventories; • tested the calculation of net realisable value by comparing, on a sampled basis, the cost of inventories against net realisable value (i.e. selling price in the subsequent documents after the year ended or price list less estimated cost to complete and to make the sale), and also sampling checked with relevant documents; and • evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Other Matter

The financial statement of the Company for the year ended 31 December 2017 were audited by another auditor who expressed an unqualified opinion on those statements on 19 February 2018.

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 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 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 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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

(Sirinuch Vimolsathit)
Certified Public Accountant
Registration No. 8413

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2019